The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japan's Fascist Cabinet---"Positive" at Home, "Expansionist" Abroad

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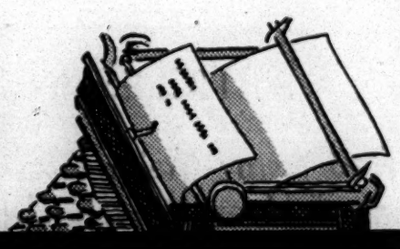

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中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 79 | Shanghai, China, Saturday, February, 6, 1937 | Number 10

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; TRYPHON V. KU, Advertising Dept.; F. K. CHAO, Business Dept.

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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PEACE AND ORDER IN MANCHUKUO

THE *Manchuria Daily News*, Japanese newspaper in the English language published in Dairen, which is so official that it employs a retired army officer as editor, issued a special illustrated number reviewing developments of the past year. Following an optimistic "message" by Gen. Kenkichi Ueda, who occupies the concurrent posts of Ambassador to Manchukuo and Commander-in-Chief of the Kwantung branch of the Imperial Japanese army which controls the puppet state, there appeared an article headed "Bandit Drive." In view of Gen. Ueda's reference to the benefits of the "Kingly Way," which the Japanese army claims to have introduced into China's northeastern provinces, the following paragraphs on the latest bandit drive were enlightening:

BANDIT DRIVE

Statements on the recent bandit clearance campaign under the jurisdiction of the Sonobe Corps were made December 29th by the corps headquarters as follows:

The Kikuchi detachment of the Yamaguchi force repulsed about 60 Red bandits at a point of Hanchiafangtzu, Penhsi-hsien, at about 2 p.m. yesterday after a fierce attack, and killed ten of the outlaws. One Japanese soldier was killed and two others were wounded in action.

***

Sergeant Ushikichi Satoh of the Ichikoma unit of the Fuse Troops, was killed in a fierce engagement with a powerful body of bandits near Tatungkou, Hsinking Hsien, yesterday morning, though the Japanese force repulsed the gang after several hours.

***

Encountering scores of outlaw at Tahsiyu, Hsinking Hsien at about 11 o'clock this morning, the Kanda unit of the Miyao troop, is now fiercely attacking the enemy. The Miyao troop despatched reinforcements to the scene at 1 p.m. today. Though details are still lacking, two Japanese soldiers have been wounded so far as is known today.

***

The Oda punitive force, together with the Takayama, Wada and Kimura units and police forces from Chienyang, Tiehling and Fushun, surrounded a gang of some 150 outlaws under Wang Jen-tai. The combined force proceeded from north towards the west of Fushunhsien on Jan. 3, repulsing the enemy northward on the following day. At

about 2 p.m. of the same day, the punitive forces impetuously assaulted the fleeing enemy in the 4th district of Tiehlinghsien and killed ten bandits. Four horses, four rifles and 500 cartridges were captured.

***

When the outlaws tried to enter Wangpingtun, in 8th district of Chienyang-hsien, in the same evening the Japanese troops delivered another fierce attack, taking one prisoner. Nine rifles, one pistol and other articles were also seized. The punitive force is still chasing the bandits in order to annihilate them. There were no casualties among the Japanese.

***

The Oda punitive force attacked Chu Hai-lo's 100 outlaws on the boundary of Chienyang and Fushun-hsien on December 15 last year. All the inhabitants of Chienyang, Fushun, and Tiehling-hsien are grateful to the Oda force for the annihilation of the Wang Jen-tsi gang, and for the peace assured thereby.

***

Though the whole nation was celebrating the New Year season there are many Japanese and Manchoukuo officers and soldiers in the eastern region of Manchuria who have never had New Year's dinner these four years, since the bandit-clearance campaign was launched, declared a Hsinking message in the Dairen paper on December 28.

COLLEGE SONGS AND AFTERNOON TEA FOR AMERICAN SAILORS

THE American shipping strike on the West Coast which made a cleaner job of sweeping the U. S. flag from the Pacific than any war could possibly have done is now on the point of settlement—after a deadlock of approximately 100 days. Throughout this period there wasn't a single American ship left on this wide ocean; hence the competing lines of Japan, Britain and other countries made the most of the situation by carrying capacity loads of both passengers and freight. The losses of American shipping companies and allied industries were stupendous.

Some idea of the extent of the losses suffered by both sides was provided in a West Coast report stating that business interests on the Coast lost U. S. $7,000,000 a day while the losses of the strikers in unpaid wages approximated $250,000 a day. The men on strike at Pacific coast ports numbered some 37,000 workers, of whom 7,000 were sailors and 30,000 were longshoremen, engineers, stewards, etc. The number of vessels tied up was 230.

One wonders whether the American companies ever will recover from the set-back which Harry Bridges, Australian-born radical labor leader gave them. The competing Japanese and British lines, particularly the Japanese lines, probably could have financed the American strike and still paid dividends out of the profits they made while the American ships were tied up at the docks along the West Coast and at Honolulu.

We are not, of course, suggesting that Harry Bridges was financed by alien interests to drive American shipping from the Pacific. Lincoln Steffens, well known San Francisco journalist who died recently, expressed the opinion in his autobiography that Harry Bridges, who was always under suspicion because of his Australian nationality and his prior participation in radicalist activities in Australia, was the only West Coast labor leader who couldn't be bribed. It is difficult to get at the truth in these controversial issues involving the so-called "class-struggle," but one thing seemed to be obvious throughout the strike: Bridges had the confidence of the rank and file of the men, particularly the younger men on the American boats, most of whom came from the villages and farms of the interior plains, hence were more or less ignorant of the "traditions of the sea." Whether their blind-confidence in Bridges was justified remains to be seen because only the future will determine whether American shipping (or the American tax payers) can pay the bill and still compete with non-American lines which use Oriental labor. The Japanese lines, which provide the strongest competition, are operated practically as a branch of the Imperial Japanese Navy and a strike similar to that experienced by the American companies would be an impossibility. Any Japanese sailor who would even think about such an adventure would be arrested and jailed for haboring "dangerous thoughts" and after being detained for investigation in one jail for many weary months without trial, he would be released, re-arrested and taken to another jail for another indefinite stay and so on until he either died or repented. That's the way the Japanese handle radicalism and that's the type of competition which the American companies, employing high-priced 100-percent white labor, must face.

The British lines, particularly the powerful Canadian Pacific, also use Oriental labor, thousands of skilled Hongkong and Cantonese sailors who receive pay which is infinitesimal as compared to that received by American sailors. Also, they receive cheaper food and living quarters and there is never any argument about working-hours so long as the Company doesn't go too far. One of the C. P. R. Empress liners upon which the writer recently traveled carried a Chinese crew of more than 300 all of whom had been employed through a "compradore" or labor-contractor in Hongkong. It happened to be pay-day while the ship was docked at Hongkong and it was interesting to observe these 300 odd Chinese sailors lined up to receive their pay, because after receiving their wages in Hongkong currency they promptly marched down the deck and dropped the money into a large bag held by a representative of the compradore. The reason for this strange procedure was not divulged but it was stated that practically all of the Chinese seamen were in debt to the compra-

dore for sums they had agreed to pay him for their jobs. Others said, however, that the compradore assumed responsibility for remitting the wages to families and relatives residing in interior villages. But regardless of the destination of the money it was obvious that the Chinese sailors received small wages and actually handled little of what they received.

There are certain elements involved in the employment of Oriental labor on Trans-Pacific ships, which the Americans, especially those in high positions in Washington, seem never to have realized. It has long been the custom to demand that only white seamen of 100-percent American nationality be employed on Pacific ships despite the fact that these liners obtain most of their business in Oriental ports. While the boats may be owned in the United States and bring American passengers and cargoes to the Far East, they carry large numbers of Oriental passengers on the return voyages while all of the return cargoes originate in ports of the Orient. The ships therefore "belong" as much to the Far East as to the Occident; why not recognize the fact and employ Chinese seamen in positions for which they are much more temperamentally fitted than are Americans. It is no secret that much of the popularity of the C. P. R. *Empress* ships is due to the custom of employing a courteous, well-trained Chinese staff in the dining rooms and as bar, tea-room and cabin stewards.

This brings us to the point where recital of an actual experience provides the best argument: Sometime before the outbreak of the strike one of the ships of the Dollar line was in port enroute to the south. The last tender, or ferry, conveying passengers to the ship departed from the Customs jetty on the Bund at midnight. Customarily the passengers ride on the upper deck of the tender, but not on this particular occasion, because the best seats on the upper deck were occupied by members of the crew, practically all of whom had imbibed too freely of a concoction popularly known as "Shanghai Heat," composed of adulterated alcohol made from sugar-cane and sold at the low price of a dollar a gallon in Japanese bars and brothels in the Hongkew section. As a result of the liquor these young men, ordinarily courteous and obliging, were truculent and abusive to the passengers and insisted upon singing songs and uttering pseudo-college cheers which were, to say the least, not appreciated by the passengers who were entitled to the seats. One young man, almost entirely under the influence of "Shanghai Heat" insisted upon committing a nuisance in full view of the passengers and their friends waiting on the jetty and another sailor disgusted everybody by telling a passenger about the "rotten" food served in the crew's mess aboard ship. The next day most of the members of the crew suffered from "hang-overs," and one in particular was the object of considerable friendly speculation because of the unusual discoloration of both his eyes, apparently acquired in a fist-fight while ashore. That night and the next the bar-steward was busy all evening carrying large quantities of beer to the crew's quarters, this particular drink apparently being necessary for the sobering-up process.

It was obvious that little discipline existed on this particular ship. The men had little interest in their work and generally were insolent to their superior officers; while the officers obviously feared to issue orders due to likelihood of open insults or outright rebellion. And to make matters still worse one of the women passengers, apparently a "parlor-pink" insisted upon inviting some of the younger members of the crew to have tea with her in the lounge upon which occasions there were long discussions of the grievances of the seamen in the then pending strike.

One of the young seamen on the boat, more intelligent than average, confided to a passenger that he had decided upon a maritime career and had to intention of "living like a Chinaman." He admired Harry Bridges because the Australian radical had "guts" and refused to compromise like the old labor leaders. He opposed the employment of any Chinese seamen on American ships and thought the seamen's union should control the employment of staff rather than the proprietors of the shipping companies.

Details of the reported settlement of the strike are not yet available, but it would seem that the final outcome of the struggle will be governmental control and operation of the ships—providing, of course, the Americans intend to maintain a merchant marine. It is obvious that private companies, even though they would be able to pay the increased wages, cannot operate ships safely and efficiently if the officers do not have control over the staff. Although the element of cost of operating a ship with full American personnel in competition with non-American lines employing lower-cost Oriental labor constitutes a serious problem, it is not an insuperable one providing the American people are willing to pay the bills. But of most importance, or rather the most vital element is that concerned with discipline. The operation of a ship, involving safety of lives and valuable property, necessitates experience and intelligence on the part of the officers and obedience and sobriety on the part of the staff. If this cannot be achieved it is hopeless to expect the public to entrust its lives and property to American ships. No one of intelligence opposes the payment of a suitable wage to American seamen, but after that point has been settled there remains the element of discipline which is the most important of all and must be settled satisfactorily, otherwise no one will patronize the ships.

Army Fascists Dictate New Cabinet Policy in Japan —Positive at Home—Expansionist Abroad

RUTHLESSLY crushing all opposition, the Army early this week seized complete control of the Japanese Government.

In explaining this bloodless coup, a spokesman of the War Ministry declared that the Army desired neither Fascism nor drastic economic reforms. It did, however, expect the new Government to carry out "positive" policies at home and abroad and make possible replenishment of defenses along the lines advocated by the Fighting Services.

The term "positive" policies, first introduced to the Japanese political vocabulary by the late Gen. G. Tanaka, bore an ominous ring to eager listeners in Tokyo, Osaka, Moscow and Nanking. Its exact meaning has been repeatedly clarified by loquacious generals, who made no secret of the Army's political views or the methods which it intended to employ in carrying these views into practice.

It was generally agreed that the Army's program hinged upon the replacement of a semi-democratic government by a fascist administration, devoted mainly to the task of imperial expansion —at the expense of Japan's neighbors.

In Osaka as in Moscow, informed observers agreed that the military program meant higher taxes; suppression of civil liberties; state control of industries; soaring cost of living; thorough militarization of the nation; constant economic crises, punctuated by dangerous financial experiments; military adventures on the mainland, and war!

To achieve its ends the Army still must break down two major obstacles,—"Big Business", equally fearful of war, inflation and high taxes, and the political parties, fighting for their own existence and sharing with the press the role of mouthpieces for the capitalists and industrialists.

What the Army has in store for the parties was made clear late last year by Gen. H. Terauchi, War Minister in the outgoing Cabinet, in a tentative draft of reforms in the organization of the Diet. Under this scheme, which would have completely nullified the Constitution, the Lower House was to be shorn of its power to censure and control the Government. The Upper Chamber was to be simultaneously reduced to the status of a powerless adjunct to its plebeian twin-brother.

The conflict between the military and the moneyed groups is rooted in the Army's schemes for state control or outright nationalization of industries essential to national defense. The Army's plan to place electric power under State supervision met with determined opposition from bankers and industrialists, who saw in it the Army's first step towards state socialism.

Another source of anxiety for far-seeing financiers was the rapid growth of industries catering to war. The munitions makers are enjoying a boom unequalled probably anywhere in the world and not paralleled by similar prosperity in other industrial fields.

A courageous critic of the Army pointed out in the Diet two weeks ago that while the nation's military appropriations had grown three-fold since the Manchurian Incident of 1931, the productive capacity of its industries has only been doubled. As no slashes can be expected in the military appropriations in the next six years, the first depression to strike the Japanese economic backbone will deprive it of strength to bear the enormous military burden.

Economic circles in Japan realize clearly that the Army is steering the country towards new military adventures in Asia. These are feared equally by Osaka manufacturers and Tokyo bankers, who feel that through peaceful relations with her neighbors alone can Japan secure continued prosperity.

Japan's capitalists are ever mindful of the fate of Baron Dan, of the Mitsui financial octopus, and Finance Minister Takahashi, whose efforts to block the Army's "reforms" were cut short by "patriotic" assassins. But signs have not been lacking in recent weeks that Capital is ready to tilt lances with the military. In Osaka, leading industrialsts anounced their readiness to subsidize the political parties' attacks on the Army. The press in Tokyo and Osaka, largely controlled by "Big Business", has fearlessly assailed the Army's Fascist policies. Japan's last known financiers openly favored Gen. Ugaki for Premier against his uniformed opponents.

Every student of Japanese political phenomena must now recognize the existence of this struggle between Capital eager to make larger profits, and the Army, ready to march on the path to totalitarianism in the belief that it will enable the nation to withstand the strain of a major war.

The selection of Toyotaro Yuki, a conservative of the Takahashi school, as Finance Minister in the new Army Cabinet, has obviously been designed to pacify "Big Business." It is also probable that Mr. Yuki will be allowed by the Army to slash some of the taxes on industrial and financial activities to make the capitalists more acquiescent to a fascist regime.

Yet, not even Yuki can prevent those phenomena which Capital fears, such as the feverish preparations for war; inflation, hovering close to the point where it can no longer be controlled;

rapidly soaring commodity prices; and popular disaffection, caused by the higher cost of living. To pay for new military toys of the Fighting Services, Yuki is bound to continue Eichi Baba's policies, which cannot fail to intensify the current distrust in the Government's ability to extricate Japan from present difficulties.

During its fight against Gen. Ugaki, the former Korean Governor-General, the Army made two important mistakes. The first was complete disregard for public opinion, which stood solidly behind the aged soldier-statesman. The other, and possibly a more important error, was the Army's refusal to cooperate with Gen. Ugaki only three hours after he was commanded by the Emperor to form a new Cabinet.

The Army's blunders and Kunimatsu Hamada's ringing speech in the Diet gave the press courage which has been lacking since the military mutiny of Feb. 26, 1936. If the Army sought to destroy constitutional government and the parties by refusing to cooperate with party cabinets, its strategy has been woefully inane. The press, momentarily forgetting its recent outbursts against the ineptitude of politicians, has overnight ranged itself solidly behind the parties.

It is safe to presume that if the voters of Japan were told *today* to indicate their choice between a military regime and party government, they would overwhelmingly support the latter, largely because of the stand taken by the press. What they will decide a month hence, when the Army's propaganda about Japan's "divine mission" and the "emergency period" takes effect, is difficult to predict.

The general tenor of press comments on the current crisis is well indicated by quotations from leading Tokyo dailies:

The *Yomiuri* said: "...Since the organization of the Hirota Cabinet, the Army has increased its domination over politics... Every effort is now being made by the Army to keep Gen. Ugaki from organizing a government. What the nation deplores most is that the present political change is far from the general interest of Japan. Moreover, all that is happening is incomprehensible to the people.

"The Diet prorogation on the very day of reopening, before any political affairs were discussed, is something the nation cannot understand. The reason for the Army's strong attitude against Gen. Ugaki is also hidden. So are the politics favored by the Army. It is, therefore, difficult for us to understand whether the Army is opposing the policies of Gen. Ugaki or rejecting the general himself. From this confusion and scepticism is engendered suspicion, uncertainty and speculation on the Army and the political situation."

The *Nichi-Nichi*, one of the most powerful papers in Japan: "Gen. H. Sugiyama, Inspector-General of Military Education, reportedly told Gen. Ugaki that, as War Minister, he could not be confident of his ability to control the Army at present. We do not know the precise conditions prevailing in the Army, but the impression created by statements such as (these)... can easily be imagined... Remembering the spirit of the Imperial Army and its organization, we find it hard to understand the attitude of the Army...".

The *Tokyo Asahi*, Japan's liberal daily, declared: "The people have been led to believe that the Army opposes (Gen. Ugaki) as Premier on the grounds that he would be a hindrance to the maintenance of discipline. They are in the dark as to why this should be so. Gen. Ugaki has been mentioned for the post of Premier during every Cabinet crisis in the past several years. He was trained in the Army and has much experience as a statesman. At a time when there is a paucity of high caliber statesmen, he is the only hope of many.

"It is the view of all that he has the qualifications required of a man expected to tide the country over the situation. He has been the hope of all since he received the Imperial command on Monday. Now he is having difficulty organizing the Cabinet because the Army is reluctant to cooperate. It is a doubtful policy for the Army, believing in national unity, to oppose him in a way which may compel him to abandon his endeavors to organize a Cabinet. We fear serious effects will be produced by the disappointment of the people who want Gen. Ugaki to succeed."

The *Miyako* caustically remarked: "...The enthusiasm over an Ugaki Cabinet is not confined to the party men; it is shared by people in financial circles, who have reason to believe that he will not be completely amenable to military influences. The chief obstacle to the performance by Gen. Ugaki of his task of organizing a Cabinet comes from the Army, where he was trained.

"There is something about this opposition which provokes the thought that the Army feels that a man so closely acquainted with conditions in it as Gen. Ugaki in the post of Premier would be thorough-going in matters having bearing on it..."

⁂

Up to 1867, Japan went through nearly 700 years of "shogunate",—government by powerful and ambitious feudal lords, who relegated the Emperors to an inferior closely-guarded position in Kyoto. But when a group of determined empire-builders, partly under the impetus supplied by first contacts with the Western world, embarked on a campaign to make Japan great, the Imperial idea was seized upon as a great cohesive force.

Especially active in popularizing the theory of the Emperor's divine status have been the Fighting Services. The Army had gone to special pains to strengthen this concept. When 1,400 soldiers, led by about 20 officers, staged the Tokyo revolt 11 months ago, they suffered no punishment, for, as it was then explained by the War Office, the soldiers thought that they were obeying an Imperial command in slaughtering a few aged statesmen.

The "younger officers" clique, which today actually runs the Japanese Army, in carrying on its propaganda in the ranks, steadily maintained that it sought to protect the Emperor from the wicked "elder statesmen" and capitalists, who strove to usurp the Imperial prerogatives. Cried out Lieut.-Col S. Aizawa last year at his trial for the assassination of a high Army officer: "The Elder Statesmen, the corrupt politicians, the power-seeking bureaucrats and the moneyed men are seeking to grasp control of the Emperor's Army. This we must prevent, even at the cost of our lives!"

In refusing to support Gen. Ugaki after he was commanded by the Emperor to form a new Cabinet, the Army, therefore, struck a deadly blow

at the very foundation of its own power and discipline. The political parties were quick to grasp the implications of the Army's blunder, and immediately instructed the Speaker of the House to convey to the Emperor their sympathies in the worry caused him by the crisis,—which was precipitated by the Army. Although the military made hurried attempts to explain that they did not intend to oppose the Imperial will, the harm was done. The faith in the Emperor's omnipotence was thus shaken by his chief supporters, who, moreover, indicated by this attitude that they apparently were ready to dispense with the entire institution of monarchy, if the latter impeded their march towards Fascism.

"The Army", said the *Asahi*, "declares that it has no intention whatever of encroaching on the Imperial prerogatives, but its course of action may be construed otherwise... For the military leaders to take counsel and decide on the recommendation or non-recommendation of a war minister in a new Cabinet raises a far greater issue than the question of whether or not the party Cabinet system is permissible under the Japanese Constitution".

The *Miyako* chimed in with: "...The action of the Army leaders means that they are bent on standing in the way of the organization of a Cabinet by a man whom they oppose as Premier in spite of the fact that he was commanded by the Throne to form a Cabinet. This is a course which soldiers, who believe in great principles, are supposed to take good care to refrain from following. We sincerely hope that the military will deeply ponder on their attitude."

***

The crisis revealed another serious fissure in Japanese national structure, the existence of which had hitherto been only suspected by a few foreign observers. Since Jan. 21, the two Fighting Services have been openly at odds with each other. Superficially, the conflict was explained by the Navy's desire for continuation of the current Diet session to obtain the required record appropriations and the Army's contrasting unwillingness to have anything to do with the political parties.

Navy Minister Nagano's efforts to secure a compromise between the parties and the Army were openly and offensively rejected by the War Minister. During the subsequent Cabinet deliberations, Gen. Terauchi's demands for the dissolution of the Diet were stubbornly and successfully resisted by Admiral Nagano. For his pains, Gen. Terauchi received the following complimentary message from Japanese reactionary organizations,—the nucleus of Nippon's Nazis:

"We extend hearty gratitude to you for your endeavors and expect you to bring about the resignation of the Cabinet with firm determination, with a view to carrying through the law of justice and paving the way for the establishment of a government by the Imperial Way. We extend full and hearty support in the great task you have undertaken. Our concern with the cause of the country has led us to make this representation."

The message to Admiral Nagano was couched in less flattering terms: "In the face of the present pressing situation, it is not in conformity with the important duty of naval defense to promote a compromise between a weak government and the villainous existing political parties, to be satisfied with the makeshift of passing the trifling budget (sic!), and to fail in cooperating with the War Minister in the cause of general and thorough renovation of administration.

"We believe that the way for you to be loyal to the Throne is for you to assume responsibility for this and tender your resignation to the Throne for failing to do your duty. Our concern with the cause of the country has led us to make this representation to you."

The terms which the new Army and Navy Ministers presented to Gen. Hayashi before accepting their posts were also indicative of the growing rift between the Services. Demanded by Gen. Nakamura were acceptance of the Army's record budget for the next six years and drastic reforms in the nation's political and economic structure. Vice-Admiral Yonai's terms included appropriation of immense sums for the Navy's new building program, *administration according to the Constitution*, and avoidance of "drastic reforms."

But the struggle between the Army and the Navy is more than a mere dispute over the fate of the present session of the Diet. The two services are waging a bitter fight for the control of Japanese destinies. The Manchurian incident put the Army in the saddle, where it has managed to remain ever since by dint of aggressive domestic policy and daring adventures on the mainland.

The Navy, kept in political shadows for the past five years, opposed a strong policy on the continent which, it fears, is bound to lead to a disastrous clash with Russia or an exhausting and unnecessary struggle with China. The Admiralty believes that Japan's future lies not to the West, but to the South, where spread defenseless Philippines, Australia, New Zealand, the Netherlands East Indies and India. The Navy's policy of "southward expansion" has already resulted in Japan's entrenchment in Siam, without the slightest display of belligerence.

To dislodge the Army from its present controlling position and to prevent military adventures on the mainland, the Navy apparently is ready to go to any limits. This explains why the admirals, —who dislike the politicians just as much as do their colleagues in the Army,—are flirting with the parties and skilfully maneuvering themselves into a position of vantage behind the Throne. As long as the Navy is able to secure all the funds it requires without much difficulty, it will tolerate the Army's political and economic experiments at home. But the moment Japan's budget cannot support the double burden, the Navy will do everything in its power to cut the Army's throat.

With Gen. Ugaki's defeat the Army removed an important obstacle to the progress of its Fascist plans. The selection of the aged officer for the task of forming a new Cabinet was the last effort of the conservative "elder statesmen", who have hitherto governed the country, to prevent the advent of Fascism to Japan. When Gen. Ugaki gave up his efforts in despair, the aged "Genro" Saionji had no alternative but to suggest the names of the super-reactionary Baron Hiranuma and the frankly Fascist Gen. Hayashi. The spirited support given by the press and "Big Business" to Gen. Ugaki was a vivid demonstration of the general realization that he was the last dyke holding back the Fascist flood. When the dyke fell, Fascism swallowed Japan.

In explaining the conflict between the two struggling forces, the strongly pro-Army *Tokyo Hochi* said:

"With the Manchurian Incident two totally incompatible conceptions have been at loggerheads in diplomatic affairs and domestic administration. One is represented by co-operative and conciliatory diplomacy, party politics and sound finances. The other, by free and positive diplomacy and repudiation or revision of party politics. In brief, there has been a conflict between the forces of tradition and the forces of reform. The views of the statesmen close to the Throne and the party politicians have confronted the reform claims that have centered in the Army.

"The outbreak of the Manchurian Incident was a result of a 180-degree swing by the Army, which had until that time been hampered in the enforcement of its continental policy by the pressure of party politics and liberal diplomacy. The political path of the nation should have been made clear at that time, but the Saito, Okada and Hirota Cabinets were all given the task of trying to moderate the clash between the opposing forces. Some of the leaders even entertained the intention of gradually robbing of strength the forces of renovation. Consequently, each of these Cabinets came to an unfortunate end.

"Differences in the ways of evaluating the national situation not only breed many domestic evils but also may menace the fate of the nation in a possible international crisis. Those with highest responsibility for political direction (Prince Saionji?) should bear in mind the historical reasons for opposition to an Ugaki regime, for the issue involves the nation's life and death and transcends a mere political change".

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One likes to think that the speech delivered by Representative Hamada in the Diet two weeks ago may live beyond the age of ordinary parliamentary innuendoes. Mr. Hamada's impassionate address was the last warning to the nation before the control of its destinies was to be seized by Army Fascists. Cried Mr. Hamada:

"In recent years peculiar circustances have arisen, as a result of which the freedom of speech invested in the people has been oppressed. The people are prohibited from saying what their minds and hearts tell them they must say and they are reduced to vague mutterings to give vent to their feeling of discontent... Of late the Army has taken upon itself the role of 'propeling force of the nation' and in all the recent major incidents it has made this force felt. It it true of the May 15th Incident, the February 26th Incident, the dictatorial views broadcast by some section of the Army from time to time, the political views expressed by the War Minister at the meeting of the Diet System Inquiry Commission and the statement of the Commander of the Kwantung Army on the Manchoukuo Concordia Society. Thus dictatorial political ideology is at all times the undercurrent of thought within the Army, and there is danger of this current destroying the dam that is set between the civil and military in accordance with the Imperial will. The people realize this and are afraid.

"If the Hirota Cabinet is really to enforce renovation of general administration, it must first of all undertake the disciplining of the Army, and at the same time it must lift the heavy pressure brought to bear on the people by the Army. The present Cabinet, however, through its weakness and indecision, is seeking its propelling force in a section of the Army. Under a vague totalitarian banner, the Cabinet is feverishly trying to establish administrative Fascism and is lacking in sincerity with regard to the question of extending the functions of the Diet. In this regard of the capacity of the people to bear the burden, it has compiled an enormous and abnormal budget and planned heavy tax increases that are exceptionally crude and lacking in balance. Thus a general economic panic is threatening.

"By rash economic control measures, it is brewing industrial confusion. The general impasse in international relations characterized by armed diplomacy is also a product of the Fascist ideology. When the situation is of this character at home and abroad, can anyone claim for the Cabinet the accomplishment of having eliminated misrule and renovated general administration?

"It is extremely doubtful whether any such structure as a combination of the people and the Army would conform to the spirit of the Constitution. To be sure, a soldier is also a member of the nation. He is entitled to participate in politics so far as he is a citizen, but not without taking off his uniform and relinquishing his sword. Only then may he form a political party. There is a fundamental error in conceiving of any combination between the people and the Army. There is danger in trying to practice politics from the stand-point of a soldier. We have a feeling that such an ideology is contained in the manifesto of the Commander of the Kwantung Army on the Manchoukuo Concordia Society, that politics in Manchoukuo shall not be guided by democratic principles and that the society shall be the back surface and the Manchoukuo Government the front surface of one and the same fabric, etc. has oozed its way into Japan.

"If there is corruption among the established parties much of the cause must be ascribed to the temptations set by the military and the bureaucracy. The people have forgotten already that the increase in the expenses of Diet members from Y.800 to Y.2,000 per annum at a stroke resulted from some political manipulation on the part of a 'military clique' Government of the past. When it became difficult for the bill for increasing the number of divisions by two to pass the Diet, the 'military clique' Government scattered money among the members of the Diet and bought them off. There may sometimes emerge bribers and bribe-takers among party men, but the same can be said of the military. If because of such cases the parties are to be denounced, the military should also share the burden of denunciation..."

The speech was sufficiently potent to wreck the Hirota Cabinet. But it did not save Japan from Fascism.

Social Affairs Bureau Settles Dispute at Tafoong Canned Goods Co.

Disputes arose between the Tafoong Canned Goods Company and the workers last week with regard to problems of the unpaid wages and subsidies for the workers, following the recent closeing-down of said firm. The dispute was settled through the mediation of the local Social Affairs Bureau authorities.

Thirteen Soviet Citizens, Found Guilty of Treasonable Activities, Executed by Shooting; Radek, 10 Years Imprisonment

THIRTEEN of the 17 Soviet citizens charged with treasonable activities, especially with complicity in a plot aimed at the disruption of the Soviet's military and industrial might, were sentenced to death in Moscow Jan. 30; three were given sentences of 10 years' imprisonment and one of eight years.

The four whose lives were spared are: Karl Radek, journalist, who was given 10 years' imprisonment; M. Sokolnikoff, formerly Soviet Ambassador to Great Britain, 10 years; M. Arnold, one-time Hollywood actor and self-admitted would-be assassin of M. Molotoff, President of the Council of People's Commissars, 10 years; and M. Stroiloff, head of a mission sent to Germany to recruit specialists for work in the Soviet Union, eight years.

The 13 sentenced to death were executed by shooting, the execution being carried out within an hour after sentence had been passed. They were: Piatakoff, former Assistant People's Commissar for Heavy Industries; Serebriakoff, former chief of the Chinese Eastern Railway; Muraloff, former People's Commissar for Agriculture and War, and Trotsky's one-time chief lieutenant; Livshitz, a former director of the Soviet State Railways; Drobnis, who gave evidence for the State against the German engineer Stickling in November; Knyazev, former manager of the South Ural Railways: Guslavsky, Katachak, Norkin, Shestoff, Grashe, Pushin and Turok.

The *United Press* stated that a huge mob, estimated at more than 1,000,000 persons, crowded into the Red Square in a tremendous spontaneous demonstration of approval of the sentences. The demonstrators shouted and sang in the freezing cold of fifteen degrees below zero. The convicted men were described as "Trotskyist assassins and spies, the servants of the Fascist intelligence services." Shouting "Death to the wretches," factory workers passed a resolution demanding that the exiled revolutionary, Leon Trotsky, be extradited from Mexico for trial in the Soviet Union for alleged terroristic acts against the Government. A resolution passed at a meeting of workers declared that "the Military Collegium's verdict is the decision of 170,000,000 Soviet citizens."

The Presidium of the Central Executive Committee at Moscow promptly rejected the petition for pardon of the persons condemned to be shot in the Moscow treason trial.

Widespread Wrecking Activities by Trotzkyite Center

"The distinguishing features of the present trial," stated Prosecutor Vyshinsky in his speech for the prosecution, Jan. 28 "consists in that the trial sums up the criminal activities of the Trotzkyite conspirators, who for many years systematically, and by the basest and most loathsome means, struggled against the Soviet system and the Soviet State, having begun this struggle still during the lifetime of our great teacher, Lenin, struggling against Lenin, and after him, against his genial disciple, the true custodian of his legacy and the continuer of his cause. Like a searchlight, the trial illuminated all the darkest and most loathsome corners of the Trotzkyites underground."

Vyshinsky, emphasized "that the experts' conclusion categorically affirms that there can be no doubt of the existence of malicious intention in the fires and explosions organized by the diversionists. Livshitz, Turok, Knyazev and Boguslavsky played an active role in a whole number of horrible crimes on the railways. Livshitz's responsibility for his activities are redoubled due to his high official post as Assistant Peoples Commissar of Railways. Knyazev in organizing wrecks of military trains did so not only upon instructions from Livshitz, but also upon the direct instructions of an agent of the Japanese Intelligence Service, Mister X. Thus, the interests of the Trotzkyite organization became interwoven with the interests of that Intelligence Service, and it could not happen otherwise since they both had a common political aim, common methods of work and organizational ties."

"The Trotzkyite Center organized a wide-spread system of wrecking activities and acts of diversion. Pyatakov, himself, assumed the leadership of the wrecking and diversionist work as a whole. The leadership of diversionist activities on the railways was entrusted to Serebryakov, together with Livshitz, Knyazev, Turok and Boguslavsky. The main wrecking and diversionist forces were disposed according to a definite plan. Here Pyatakov acts as the boss, as the organizer of this wrecking business. Organizing the wrecking and diversionist acts, the Center tried to solve two problems simultaneously: the task of undermining the economic strength and defence capacity of our country and the task of inciting animosity against the Soviet power among the workers and toilers. They tried to organize these crimes on the widest scale possible, to increase the number of their victims as much as possible. In order to wipe out traces, they incorrectly informed the investigation authorities about those guilty of wrecks, knew how to arrange matters so that completely innocent persons were most severely punished for the wreckers' crimes."

Concerning Radek, the prosecutor said: "He repeatedly opposed Lenin, both prior and after the Revolution. In 1924 he joined the Trotszkyites, derided the theory of building Socialism in the Soviet Union, battled against Lenin during the latter's lifetime, and after Lenin battles against Stalin. He is a member of the Trotzkyite Center, a 'specialist' on international questions, the one person most trusted and close to the chief gang-leader of this band, Trotzky."

Radek Accuses Trotsky

Answering a question by the Prosecutor, Radek testified that Pyatakov, upon his return from Oslo, told him about the following prospect advanced by Trotzky: Speaking of impending war, Trotzky referring to his conversation with Hess and other persons in Germany, said that war was due in 1937, that Germany had completed her military preparations and that she needs 1936 for diplomatically securing her rear: firstly, for ensuring English neutrality, secondly, in order to reach an understanding with France, or in order to put France out of the ring by a lightning blow, relying on the support of the growing Fascist movement which will weaken the democratic Government of France, then striking out against the U.S.S.R. with concentrated forces.

Radek in his plan stated that the present trial led to two principal deductions: It demonstrated, on the basis of tremendous objective proof, that the Trotzkyite organization interlaced itself with all counter-revolutionary forces. It revealed the Trotzkyite organization as an agent of forces preparing a world war. Protesting against the Prosecutor's appraised of the accused as mere criminal offenders, Radek said "If we were criminal offenders, what assurance could there be that we were telling the truth? In my hands I held the threat of the mystery of the beginning of war and I have not the right to hide this secret and wish to convince all that I am telling the truth and the truth alone."

Relating the history of his connections with Trotsky, Radek accused Trotzky of having placed his organization before accomplished facts when giving instructions regarding wrecking and reaching an understanding with foreign powers behind its back. Trotzky, himself, felt his own impotence in the struggle against Soviet power and banked on Hitler, Radek said. He accused Trotsky also in, that seeing the confusion created by his directives among members of the Parallel Center, he began to organize another underground terrorist organization, which until now is not completely exposed and which relies on cadres imported from abroad and brought up by German Fascism. "We knew," said Radek, "that if we could call a conference of Trotzkyites to discuss those directives given by Trotzky which caused us to hesitate, we would not remain alive."

Two versions of the alleged Trotzkyist plot to overthrow Stalin's regime have been prepared by the G.P.U. (Soviet Secret Police), one of them for home consumption and the other for abroad, Leon Trotzky, the exiled Bolshevik leader, told newspapermen in Mexico City Jan. 29. The original version, Trotzky said, was a crude falsification directly inspired by Stalin and worked out by the G.P.U. chiefly to impress Soviet peasants and workers in depicting Trotzky as a Fascist traitor who had sold himself to Germany. The second version is more subtle, the exile said, as "it is a complicated fiction story with diplomatic and military background, conceived in Radek's style and destined for erudite foreign friends of the Soviet Union."

Comments of World Press on Moscow Trial

Duranty wrote in the *New York Times* that "the trial should go far to justify Sokolnikov's statement, that Trotzky is revealed before the workers of the U.S.S.R. and the rest of the world as an ally of Fascism and a preparer of war."

The French press published a detailed account of the trial and the final sitting of the Court, and pointed out, that after repeated confessions of the accused, no doubt remained that Trotzkyism represents a gang of bandits ready to commit the foulest deeds in order to kindle a world war.

The *Petit Journal* printed a declaration of the English lawyer, Mr. Collard, acknowledging that the Soviet Court procedure was irreproachable. Replying to the question why the accused con-

(*Continued on page* 358)

Japanese Army Forces General Ugaki to Withdraw; General Hayashi Forms Cabinet

RIDING roughshod over public opinion, the Japanese Army Jan. 29 forced Gen. Kazushige Ugaki to give up his efforts to form a new Cabinet. Proceeding to the Palace at 11.40 a.m. the Premier-designate informed His Majesty that he was unable to carry out the Imperial command. Gen. Ugaki's action brought to an end a four-and-a-half day controversy with the Army, which stubbornly refused to be represented on the Ugaki Cabinet.

Prior to proceeding to the Palace, Gen. Ugaki announced his intention to give up his rank in the Army reserve. He later told the press that his resignation had already been submitted to the Emperor. In a press interview, on leaving the Palace, Gen. Ugaki expressed his regret for his failure to form a Cabinet.

"The situation at home and abroad," he said, "is grave. The social conditions are in a serious state. The political situation is unsettled, and we cannot but regard the future of Japan with anxiety. Therefore, I have done everything in my power to organize a new Cabinet in pursuance of the Imperial command, so as to safe-guard the dignity of National polity and to solve the crisis. But things have come to such a pass that I am obliged to decline the Premiership. My lack of virtue is responsible for my failure. I feel very sorry for the Emperor and also realize fully my responsibility to the nation."

Emperor Hirohito late in the evening commanded Gen. Senjuro Hayashi, retired, and former Minister of War in the Cabinet of Admiral Keisuke Okada, to form a Cabinet. Gen. Hayashi's appointment was taken as a signal victory for the Army. His Government is generally believed to foreshadow a vigorous conflict with the political parties, culminating in a dissolution of the Diet to be followed by a general election—the second in a year.

Perturbed by the crisis caused by the Army's refusal to support the Premier-designate, a group of independent parliamentarians Jan. 27 petitioned Kojiro Tomita, Speaker of the House, to pass a resolution upholding constitutional government. Among the sponsors of the move were Yukio Ozaki and Daikichiro Tagawa, prominent liberals. Their efforts were, however, brought to nought by the refusal of the leaders of the two major parties, the Minseito and the Seiyukai, to support such a move at a time when Gen. Kazushige Ugaki was still continuing his attempts to form a new Cabinet.

Bowing to the wishes of Army leaders, Gen. Hayashi Feb. 1 agreed to the appointment of Lieut.-Gen. Kotaro Nakamura, director of the Inspectorate-General of Military Education, as Minister of War. In a compromise with the Navy, Gen. Hayashi also accepted the nomination of Vice-Admiral Mitsumasa Yonai, commandant of the Yokosuka Naval Base and a former commander of the Third Fleet, stationed in Chinese waters, to take the naval portfolio. Toyotaro Yuki, president of the Industrial Bank of Japan, will become Minister of Finance. The Home Ministry will be headed by Kakichi Kawarada, vice-minister of the Interior in the cabinet of the late Tsuyoshi Inukai, Seiyukai leader.

Pending the arrival from Washington of Mr. Saito, at present Japanese Ambassador to the U.S.A., to assume his new post as Foreign Minister, the Premier himself will take over the duties of the Foreigh Office protem.

Hinting at his probable refusal of the profferred post of Foreign Minister, Ambassador Saito announced in Washington, D. C. Feb. 2 that he would be "unable to leave Washington until Fall." Naotake Sato, former Japanese Ambassador to France, has already been mentioned for the post of Foreign Minister in the new Hayashi Cabinet.

Domei mentioned that Mr. Saito's appointment brings new brilliance to a spectacular diplomatic career begun 27 years ago as a young attache to the Japanese Embassy in Washington. The Foreign Minister-designate is 51 years old and has served exclusively in Europe and the United States, aside from assignments with the Foreign Office in Tokyo.

Financial and industrial circles in Japan welcome particularly the appointment of Toyetaro Yuki, president of the Industrial Bank of Japan, as the new Minister of Finance, succeeding Dr. Eiichi Baba.

Chikuhei Nakajima was originally slated for the Communications portfolio; this was later changed to the post of Minister of Commerce and Industry, but in the end Mr. Nakajima refused to serve.

In accepting the nominees of the Fighting Services, Gen. Hayashi ignored the counsel of his "one-man brain-trust," Shinji Sogo, who was slated to hold the important post of Secretary-General of the Cabinet. Mr. Sogo, who heads the Hsing Chung Kungssu, a South Manchuria Railway Company's subsidiary engaged in the economic development of China, immediately left Gen. Hayashi's headquarters, announcing that they had broken all relations with the others because of "a difference of opinion."

Accepting the Army's nominee for the War portfolio, Gen. Senjuro Hayashi Feb. 1 succeeded in forming a new Cabinet, bringing to an end eight days of political chaos, as follows:

Premier	**Gen. Senjuro Hayashi**
War Minister	**Lieut.-Gen. Kotaro Nakamura**
Navy Ninister	**Vice-Admiral Mitsumasa Yonai**
Finance Minister	**Toyotaro Yuki**
Foreign Minister	**Hirosi Saito**
Home Minister	**Kakichi Kawarada**
Justice Minister	**Suehiko Shiono**
Agriculture & Forestry	**Tatsunosuke Yamzaki**
Commerce & Industry	**Vice-Admiral Dr. T. Godo**
Minister of Commuications	**Harumichi Tanabe**
Secretary-General of the Cabinet	**Hachiro Ohashi**
Director of the Cabinet's Bureau of Legislation	**Takeo Kawagoe**

"Border Crossing General"

General Senjuro Hayashi is known in Japan as a "border-crossing" general, for the part he played in the Manchurian Incident of 1931. On learning of the outbreak of hostilities in Mukden, General Hayashi, who was then in command of the Korean Garrison dispatched a brigade from Korea to Manchuria without awaiting Imperial orders.

Immediately thereafter General Hayashi retired to his official residence and garbed himself in a white robe, ready to commit "harakiri" if his arbitarary action were reprimanded by the General Staff. This reprimand never came.

The Tokyo *Yomiuri* a leading metropolitan daily, said that General Hayashi is a "typical samurai" of irreproachable personal integrity. Politically, however, the journal pointed out, the Premier-designate is "an unknown quantity."

The *Yomiuri* recalled that General Hayashi distinguished himself during the Russo-Japanese war of 1904-05, in which he served as a captain in the Army which besieged Port Arthur. Attacking a strong Russian fort, his brigade was ruthlessly slaughtered, until only a few-score soldiers remained in the ranks. Ignoring a retreat order, Capt. Hayashi again stormed the fortress at the head of this handful of men and succeeded in capturing it.

In his youth, General Hayashi visited England as tutor to Major-General Marquis Toshitame Mayeda, now President of the Military Staff College, whose father was once General Hayashi's feudal lord.

Japanese Financial Circles Greet Hayashi with Mixed Feelings

With mixed feelings, Japanese financial circles Jan. 30 greeted the prospect of a Cabinet headed by Gen. Hayashi. While, on the one hand, they prepared to tighten their belts to prepare for the adoption of a colossal budget and the enforcement of "planned economy" measures, on the other they welcomed the stabilization of the political situation.

Parties May Refuse to Co-operate With Hayashi

Foreshadowing possible non-co-operation of major political parties with Gen. Senjuro Hayashi's Cabinet, Chikuhei Nakajima, the "airplane king" of Japan and a Seiyukai leader, Feb. 1 declined to accept the proffered Commerce and Industry portfolio. Earlier in the day Ryutaro Nagai, Secretary-General of the Minseito, refused to become Minister of Education. In offering Cabinet posts to party leaders, Gen. Hayashi demanded that they sever their connections with political organizations.

Gen. Hayashi suffered a series of unexpected setbacks Jan. 31 in his efforts to form a Cabinet as he came into conflict with the heads of both Fighting Services over the selection of Ministers of War and of the Navy. The difficulties came in the wake of the refusal of Gen. Gen Sugiyama, Inspector-General of Military Education, to accept the nomination to the War portfolio made the previous day by the Army's "Big Four". Gen. Sugiyama said he was unable to accept in view of his refusal when offered the post last week by Gen. Ugaki. The Army immediately selected Lieut.-Gen. Kotaro Nakamura, director of the Inspectorate-General of Military Education.

Quezon and Gen. MacArthur Received in Audience by Japanese Emperor

President Manuel Quezon, president of the Philippine Commonwealth, and Major-Gen. Douglas MacArthur, military adviser to the Manila government, who are enroute to the United States on the *Empress of Canada* were received in audience by Emperor Hirohito in Tokyo Feb. 1. Joseph Clark Grew, American ambassador, introduced the visitors to the monarch. All three later attended a Palace luncheon.

Senor Quezon and his party of 26 were greeted on their arrival at the Tokyo Railway station by Mr. Grew, Kensuke Horiuchi, vice-minister of Foreign Affairs in the outgoing Hirota cabinet, and a large number of Filipino residents.

Interviewed at the American Embassy, Senor Quezon reiterated that his visit to Japan was "entirely unofficial." "I am on my way to Washington to negotiate an economic agreement with the United States, "he said.

The Philippine president and members of his party were the guests of Hachiro Arita, Foreign Minister in the outgoing cabinet, at dinner in the evening. They re-embarked at Yokohama at midnight to continue their journey across the Pacific.

President Quezon Entertained in Shanghai

Manuel Quezon, President of the Philippines Commonwealth, stopped over in Shanghai for a brief period Jan. 28 in the course of his trip to Washington aboard the *Empress of Canada*. The distinguished visitor was accompanied by his two daughters, Major-Gen. MacAuthur, Commander-in-Chief of the Philippines forces, J. Yule, Minister of Justice, and Major A. Natividad.

Mayor Wu Te-chen of Greater Shanghai headed a large gathering of Chinese officials at the wharf to welcome Mr. Quezon. Others there included Gen. Yang Hu, Garrison Commander of Shanghai and Woosung, Chow Chuen, Director of the Shanghai Office of the Waichiaopu. Jabin Hsu, representing Dr. H. H. Kung, Minister of Finance, Tang Leang-li, representing Wang Ching-wei, chairman of the Central Political Council, and Chu Chang-nien, Shanghai Customs Superintendent. Clarence E. Gauss, United States Consul-General in Shanghai, and a large group of American and Chinese newspaperman were at the wharf to greet the Philippines President. During his stay here, Present Quezon was the honor guest at a number of social functions tendered by Chinese and American officials, including a tea reception given by Mayor Wu, another by U. S. Consul-General Gauss, and a dinner by Dr. C. T. Wang, Ambassador-designate to the United States.

Japanese Tourist Propaganda to Be Expanded —Budget to Be Doubled

Directors of the Japanese International Board of Tourist Industry met Jan 25 at the Railway Hotel in Marunouchi, Tokyo, to decide on the board's policy for the year.

It was decided that foreign propaganda expenses are to be raised by more than 100 per cent and placed at Yen 820,000. Of this amount Yen 300,000 is to be covered by general accounts of the Finance Ministry and the rest defrayed by the enterprisers concerned. A foreign propaganda office is to be established in Champs Elysee, Paris, besides the offices in New York and Los Angeles. Members of the board are to be stationed at the railway offices in London, Berlin and Shanghai. Arrangements were made to have Makoto Den, director of the board, tour Europe and the United States. American advertising agencies will be given orders for the distribution of 500,000 propaganda pamphlets throughout the world.

Five Killed and Three Injured in Power Plant Mishap

Two workers are dead, while three others were critically injured following a smokeless powder explosion that blew off 200 square yards of roofing on the Itabashi Army Power Factory, in Oji on the outskirts of Tokyo, Jan. 23.

Japanese Government Will Try to Curb Rising Prices

The Finance Ministry and the Ministry of Commerce and Industry have decided to co-operate against the recent rapid rise in commodity prices, possibly by invoking an anti-profiteering act. Officials of the Tokyo Finance Ministry are of the opinion that, although the public seems to attribute the high price trend to the huge budget, the tendency is not directly caused by the increased taxation that will be enforced next April, but that tariff revision and intensification of import exchange control are stimulating the rise.

Torpedo Boat Launched in Kobe

Eight months after her keel was laid, the torpedo boat *Sagi* was launched at the Harima Dockyards in Kobe Jan. 30, in the presence of about 1,000 naval officers and officials.

Japan's Foreign Trade During January Shows Unfavorable Balance

Japan's foreign trade in the ten days ending Jan. 30 resulted in an unfavorable balance of Yen 28,549,000, with imports reaching Yen 141,468,000 and exports amounting to Yen 112,919,000. The total adverse balance since the beginning of the year stands at Yen 110,696,000.

Discrimination Against Chinese Cadets in Japanese Military College Reported

Discrimination against Chinese cadets studying in the Japanese Military Officers College in Tokyo has been reported in messages received in Nanking from Japan. Chinese cadets, it is learned, are no longer given the privilege of undertaking four months of practical field training with the Japanese cadets as was the practice before. Furthermore, the dispatches stated, the Chinese cadets are now housed in different quarters from those for students of the military college, thus depriving the Chinese students of much of the benefit of regular training.

Anti-Japanese Students in Tokyo Deported to China

Three Chinese students in Tokyo, who are said to have disseminated radical propaganda work on the Anti-Japanese People's Front Movement, have lately been sent back to China by the Japanese authorities. Being students of the Waseda University, they published a weekly paper, entitled *Ryuto Shimbun* (Chinese Students Daily), keeping in close contact with the local Anti-Japanese National Salvation Federation and (according to the Shanghai *Nichi Nichi*) making endeavors to propagate anti-Japanism and Communism, with an attempt to stir up agitation among the Chinese students in Japan. After being questioned by the Tokyo Police Headquarters, they were sent back to China.

American-Japanese Cotton Textile Agreement Is Made Retroactive

The provisional American-Japanese Cotton Textile Agreement, concluded on January 24, has been made retroactive to January 1 and will remain in force for two years. The accord is expected by its sponsors to lead to the conclusion of a treaty providing for the revision of the American tariffs on Nippon-made cotton textiles, in exchange for the consent of the Japanese producers to curtail voluntarily their exports to the United States.

Expanding the scope of the provisional accord on the importation of Nippon-made cotton textiles into the United States, American and Japanese Manufacturers Jan. 27 reached agreement on the sales of Nipponese velveteen and corduroy. The new understanding was reached between Dr. Claudius T. Murchison, head of the American textile mission now visiting Japan, and Otokichi Shoji, Chairman of the powerful Dai Nippon Cotton Textile Association. Under the terms of the new accord, Japan is authorized to export to the United States in the next two years 2,000,000,000 sq. yds. of velveteen and 1,500,000 sq. yds. of corduroy. Of the 2,000,000 sq. yds. of velveteen, orders for which were received between November, 1936, and Jan. 1, 1937, Japan will be authorized to export to the United States 750,000 sq. yds. outside of the restrictions of the accord. Of the remainder, 60 per cent will be deducted from the quota for the current year and 40 per cent from the quota for 1938.

Legalization of Red Army Major Issue in Peace Parleys; Gen. Chiang Kai-shek Arrives at Hangchow

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Shensi Situation Again Critical With Rebel Troops Refusing to Withdraw.**
2. **Communist Government Formed in Central Shensi, Mao Quits Sian.**
3. **Lanchow Is Quiet, Foreigners Not Contemplating Evacuation.**
4. **Many Reactionaries Arrested in Chengtu, But Rumors Dying Down.**
5. **Wang Stresses Internal Unity Before Resisting Foreign Aggression.**
6. **Hsu Shih-ying Said Resigning, Six Chinese Students Arrested in Tokyo.**
7. **Shanghai Pays Tribute to War Dead of 1932 Hostilities.**
8. **General Chiang Kai-shek Arrives at Hangchow From Fenghua.**
9. **Many Changes in Government Predicted After C.E.C. Session.**
10. **Report of Dr. Yen Replacing General Chang in Waichiaopu Denied.**

The situation in Shensi has once again become critical with the refusal of part of the rebel forces to withdraw to the positions designated under the terms of the settlement reached with the Central Government, according to a *Reuters* report Jan. 31. The rebels have only withdrawn from Chihshui, and Government forces have clashed with the 105th Division, which is under the command of General Liu To-chan, one of Chang Hsueh-liang's subordinates. The hitch is due to two reasons:

1.—A demand by the troops of Chang Hsueh-liang and General Yang Hu-cheng for funds for "liquidation purposes."

2.—The refusal of troops belonging to the 105th division to withdraw to the positions designated under the terms of settlement.

These particular troops, which are under General Shen Keh, are stated to have "Leftist" tendencies. They have cut off telephonic and telegraphic communications between Tungkwan, on the Honan-Shensi border, and Sianfu, the Shensi capital, and have assumed "offensive operations against the government forces."

According to a *Reuter* report Feb. 2, General Yang Hu-cheng and other Shensi rebel leaders have renewed their opposition to the Government. General Yang now refuses to carry out the agreement already reached with the Government for the withdrawal of his troops northward of the Wei River until after the plenary session of the Central Executive Committee on Feb. 15. He is also reported to have seized funds belonging to Government institutions in Sian, which he insists on keeping for "liquidation purposes." Reports received at Nanking suggest that General Yang inetnds to maintain his present military position until the plenary session decides on various political questions, including the status of the Communists. Many of the rebels insist on the Government abandoning its campaign against the Reds and giving them garrison posts in Northwest China.

The Shensi impasse is not expected to be settled immediately in accordance with instructions of the National Government as the rebel leaders are still insisting on the release of Chang Hsueh-liang, according to an official statement issued Feb. 2 by Gen. Ho Ying-chin, Minister of War. The recalcitrant troops under Chang Hsueh-liang and Yang Hu-cheng, the statement says, have already withdrawn their sentinels posted along their defense lines on the north bank of the Wei River and have signified their willingness to retreat for a considerable distance from the north bank of the river. The 81st Division of the rebel force reorganized from communist-bandits in north Shensi, the statement further states, are now concentrated at Yenshuikwan and Chiaokou along the Yellow River bordering Shensi and Shansi and are buisly drafting provisions and recruits. Grave apprehension is entertained that they may cross the Yellow River and launch a second invasion into Shensi.

The present position of Gen. Chang Hsueh-liang is believed to constitute one of the principal difficulties in the way of a peaceable settlement of the Nanking-Sian trouble. Following his coup in Sian last December 12, Gen. Chang was sentenced to 10 years' imprisonment, stripped of all his offices and titles, and deprived of civil rights for five years. On the plea of Gen. Chiang Kai-shek, the prison term was remitted, but the "Young Marshal" has not yet had his civil rights restored. It is believed, however, that when a definitive settlement of the Sian trouble is reached, Gen. Chang may be rewarded with restoration of these rights and that some title will be given him, according to a report in *Shanghai Nippo*.

LEGALIZATION OF RED ARMY FORMS MAJOR ISSUE IN TUNGKUAN NEGOTIATIONS

The future status of the Red Army in Kansu and Shensi provinces forms one of the major outstanding problems in the peace negotiations now going on at Tungkuan, according to a report in the *Shanghai Evening Post* Feb. 2. General Yang Hu-cheng and the Northeastern Army leaders, who are allies of the Red Army chieftains, are insisting on a solution of this issue before they carry out the Nanking orders for the withdrawal of their forces to their respective garrison areas in North Shensi and Kansu. They sugget that the Red Army be given an official status and be assigned a garrison area in order that their fighting strength may be preserved for an eventual war with foreign aggressors—Japan. Rumors are current in Shanghai that a regional compromise with the Red Army is possible in the near future. The National Government is rumored to be seriously considering a proposal for a suspension of the costly bandit suppression campaign and allow the Red Army in Kansu and Shensi to "surrender" on cnodition that the communist titles and terms be abolished ,political propaganda—especially the anti-government and anti-Kuomintang campaigns—be suspended, and that Nanking shall have full control over the army and the government officials in its garrison area. These rumors, however, could not be confirmed. Attention is now focussed on the third plenary session of the Central Executive Committee of the Kuomintang which is expected to take definite action to vote for or against the proposal. A section of political and military leaders, it is understood, is definitely favoring such a move. They include Generals Li Tsung-jen and Pai Chung-hsi of Kwangsi.

The Central Government will co-operate with the Chinese Reds, provided that the latter will disconnect themselves from the Third International and abolish all the socalled Chinese Soviet organizations in the Northwest. This was the gist of a special interview given to *Ta Kung Pao* by General Chen Cheng, Vice-Minister of War.

According to *Shanghai Nippo* Jan. 29, it is reported that the Censorship Bureau of the Chinese Government recently issued the following instructions to Chinese press circles:

1. The letters "Kung Chan Tang" (Communist Party) will hereafter be forbidden to be used. The anti-Red news, in which the letters "Red bandits" or "Heads of the Red bandits" are used, should not be published.

2. All news of articles with regard to the accusation and denouncement of Chang Hsueh-liang and Yang Hu-cheng are banned from publication.

Reporting on the present-day state of affairs in Sian, The *Shanghai Nippo* states:

1.—The highest political organ now functioning in Sian is the so-called Salvation Association of the Northwest, which is directed by Chou En-lai, the Communist leader.

2.—In order to extend the People's Front, the Communist Party has selected 50 boy and girl students from each school to carry out the task of organizing volunteers. It is also their task to propagate the ideas of Communism among peasants and workers.

3.—All propaganda organs of the Kuomintang have been closed down. The Salvation Association issues all newspapers and magazines and acts as censor of all published material.

4.—All text-books formerly in use in the primary and middle schools have been burned.

5.—All banks are now under the control of the Salvation Association.

6.—Salvation activities are being monopolized by a certain Sung Yeh-yung.

7.—Peace and order within the city is maintained by 2,000 soldiers under the command of Hsu Hai-tung. Stationed outside the city walls are 2,000 of Mao Tse-tung's Red troops in plain clothes, who suppress all anti-Communist activity.

According to a message received at Nanking from Loyang, it is generally believed that the communists are making an attempt to prevent the Shensi recalcitrants from coming into terms with the Central Government with the object of utilizing the present opportunity to reinforce their armies and at the same time to "sovietize" Shensi province. It is further reported that the situation in Sian is extremely complicated and the failure of the Northeastern and Shensi forces to carry out their original agreement with the Central Government is due primarily to the interference of the communists. Government observation planes reported that the insurgents, instead of withdrawing, are tightening their defences on the Hsiaoyi and Chihshui fronts. One troop train was reported to have proceeded to the eastern front from Sian Feb. 1. The

Central forces which moved into Chihshu are keeping a close watch over the movements of the recalcitrants.

EARLIER REPORT OF TERMS OF SETTLEMENT

Reuter reported Jan. 28 that a basis for settlement of the Shensi rebellion has been found in the following arrangement of military control in the North-west :—

(1). The so-called North-eastern Army—Chang Hsueh-liang's former troops—to be transferred from Shensi to Kansu.

(2). General Yang Hu-cheng's troops to withdraw northward of the Wei River, in Shensi.

(3). Government troops to garrison Sianfu, the Shensi capital, the whole of the Lunghai railway area and the two main highways from Tungkuan, on the Honan-Shensi border, to Kansu.

This arrangement was one of two alternative plans proposed by the Central Government. The alternative plan provided for the transfer of the North-eastern Army to the Honan-Anhwei border and of General Yang's troops to Kansu. The disposition of the Government troops would have been the same as under the first plan. Details of the execution of the arrangement remain to be settled, as the present disposition of troops in Shensi is extremely tangled, while it is recognized that the Communists may provide difficulties.

Shanghai Nippo reported Jan. 29 that the Central authorities have handed over $300,000 to Yang Hu-cheng's Army as the first part of the military expenses, appropriated for the settlement of the Sian affair. Mao Tse-tung, the chief of the Red Army, is also reported to have ordered his Red units to evacuate Sian on the 26th inst.

In view of the strategic importance of the northwest, particularly Sian, the Central government will not let that vast region be detached from the rest of the country, Gen. Chen Cheng, Vice-minister of War, told the Tungkwan correspondent of the *Central News* Feb. 1. Reiterating the stand of the Central Government, Gen. Chen said that as the northwest constitutes the base of defense of the country and as Sian is an important military and political center, the Central government cannot give up that part of the country and let it be turned into a Red stronghold. He said the Central Government is ready to employ political means to settle the crisis but if its authority is contested by the recalcitrants, military force will have to be resorted to in order to bring the rebels to their senses.

General Liu Chih, Pacification Commissioner for Honan and Anhwei, arrived at Tungkuan from Loyang, western Honan, Jan. 30. After conferring with General Ku Chu-tung, Director of the Sian Provisional Headquarters of the President of the Military Affairs Commission, he invited Lieut.-Generals Mi Chun-lin and Hsieh Ko, representatives of the recalcitrant Shensi leaders, to a conference.

General Yu Hsueh-chung, Chairman of Kansu and concurrently Commander of the 51st Army, is reported to have arrived at Sian from Lanchow, the Kansu Provincial capital, by airplane Jan. 31 to jointly devise measures for the settlement of the Shensi trouble. Both Yu Hsueh-chung and Yang Hu-cheng, it is understood, were entrusted by Chang Hsueh-liang with joint charge of military affairs in the North-west when the latter departed for the Capital from Sian on Dec. 25 last.

COMMUNIST GOVERNMENT FORMED IN CENTRAL SHENSI, MAO QUITS SIAN

A Communist government has been organized at Fushih in central Shensi by Mao Tse-tung, communist chieftain, according to *Central News*. Three thousand communist-bandits under Mao are reported to have arrived in Kanchuan and Lochen creating no little disturbances there. A large number of magistrates who were suspected of being loyal to the Central Government have been dismissed by the bogus Shensi provincial government in Sian. Force is being used to take over the hsien city in case the lawful magistrate refuse to take orders of the rebels.

Due to the changed situation brought about by the agreement between Nanking and the recalcitrant generals in the Northwest Mao Tse-tung, leader of the Communist armies, left Sian on Jan. 26, *Shanghai Nippo* Jan. 30. The Central Government has remitted a sum of $300,000 to Gen. Yang Hu-chen for the rehabilitation of Shensi and will receive further sums later on.

According to *Shanghai Nippo* Jan. 29, the main Red forces under Hsu Hai-tung and Chen Shien-jui, totalling about five thousand men, are beginning to move towards Western Honan via Lungchutsai and Heilungkou from Shanghsien and Lonan in Shensi. Peng Teh-huai's units are still scattered in the districts of Fuping, Sanyuan, Kaoling, and Chinyang. Ho Lung's units are beginning to move in an easterly direction, having reached Fuhsien and Lohsien in Shensi; and a Soviet Government is in the making in Fuhsi. It is reported that the Central authorities will launch an expedition campaign against the three main red forces.

Miss Ting Ling, the well-known leftist writer, is now busily engaged in doing propaganda work for the Communist bandits in Shensi, according to military information received in Chungking. Miss Ting is now the head of a propaganda corps of over 70 women Communists, and is directing Red dramatic performances for the entertainment of the populace at Sanyuan.

FOREIGNERS AT LANCHOW SAFE, NOT EVACUATING

Foreigners living in Lanchow are safe and they have shown no desire to evacuate, R. Walter, Technical Manager of the Eurasia Aviation Corporation, told newsmen Jan. 30 on his arrival at Shanghai from the Kansu city. The German official, traveling on the Eurasia's regular passenger and mail plane to Ninghsia, made a special stop at Lanchow where he stayed for only an hour. He left the city with the families of several Chinese officials. Although he did not stay long in Lanchow, Mr. Walter reported that everything was quiet in the city. Foreign residents in Lanchow, previously reported as preparing to evacuate, showed no desire to leave, Mr. Walter asid.

For publishing the recent broadcast speech of Wang Ching-wei, in which he strongly deprecated the misleading slogan "People's Front," the *Kansu Republican Daily News* in Lanchow was suspended by Gen. Yu Hsueh-chung on Jan. 29, according to *Central News*.

The losses sustained by the Lunghai Railway since the outbreak of the Shensi crisis amount to at least $20 million, according to information from the Ministry of Railways. At present the passenger trains of the Lunghai Line only run as far as Tungkuan and its repair crew are able to proceed to Hushsien.

MANY REACTIONARIES ARRESTED IN SZECHUAN, BUT RUMORS ARE DYING DOWN

More than a hundred reactionary agents have been arrested in various parts of Szechuan in the past three days, according to a *Kuo Min* report Jan. 28. Acting on secret information, the police raided a "cell" in Chengtu Jan. 25 and arrested seven suspects, including the chief, Tseng Tien-chuan, who styles himself "commander of the people's national salvation army of the four provinces of Szechuan, Yunnan, Hsikang and Kweichow for the rescue of Suiyuan." Subsequently, scores of people were arrested in other districts in Szechuan, including Kuanhsien and Wenchuan, in western Szechuan, Ipin and Tzuliucheng, in southern Szechuan, and Nankiang in central Szechuan. A large quantity of incriminating documents, also arms and ammunition, were seized.

With the settlement of the Northwestern trouble, rumors in Szechuan have died down, reported *Ta Kung Pao* Jan. 30. General Liu Hsiang, Chairman of Szechwan, has nlow pledged loyalty to the Central Government, as a result of the recent trip of General Ho Chih-wu, brother of General Ho Ying-ching, to Chungking and a personal letter of General Chiang Kai-shek to General Liu. It may be noted that, after the Sian revolt, anti-Nanking propaganda was also in full swing in Szechuan.

Replying to a telegram of General Liu Hsiang, Chairman of the Szechuan Provincial Government, General Chiang Kai-shek states that he is gradually recovering from the effects of the Sian *coup* in December and will return to the Capital to resume his duties in a few days. In view of the national crisis, the cooperation of one and all is necessary in the work of national salvation, General Chiang added.

"NIPPO" SEES RED ARMY AS GREAT DISTURBING FACTOR

Commenting Jan. 28 on the reported settlement of the Sian rebellion, the *Shanghai Nippo* declares that it is now clear that the rebels have been defeated. "Reports of the settlement are not just Nanking propaganda," the paper says. "As matters now stand, all problems in Shensi and Kansu have been settled with the exception of the problem presented by the Red Army. This problem is by no means a simply one, especially since Japan will never permit the Communists to establish Red districts in Shensi and Kansu. Another aspect of this matter is the fact that the Tungpei army and the troops of Gen. Yang Hu-chen have come under Communist influence. This means a corresponding strengthening of the Red Army. It is therefore necessary for us to concentrate our attention on the Red Army movements in Shensi and Kansu and finally to watch the measures taken by Nanking in its dealings with the Communists and the rebels."

"The fact that the Sian rebellion has been ended by political means, without resort to force," commented *Nippo* Jan. 30, "may serve to increase the confidence of the people in the Central Government, for the Chinese people instinctively hate civil war. But the real essence of the Sian trouble is not indicated by a retreat or advance of the troops of Gen. Yang Hu-chen. For this gentleman, a retreat of his troops may simply be a maneuver, for by means of it he is enabled to temporarily extricate himself from the unfavorable situation in which he found himself. We are obliged, therefore, to consider the situation more profoundly. It was not opposition to Gen. Chiang Kai-shek which motivated the Sian coup, but opposition to Japan. This is amply proved by the fact that Gen. Chiang was subsequently released from captivity. A definitive settlement of the Sian trouble consequently depends on whether Nanking takes an anti-Japanese or a pro-Japanese attitude. The demands submitted to Nanking by the Sian generals are identical with the demands made by the Communists. If Nanking accepts them, it must inevitably adopt an anti-Japanese policy. It is still

impossible to say whether a final settlement of the Sian trouble has been reached. Gen. Chiang Kai-shek may, however, make some changes in his policy and take a stronger attitude toward Japan."

WANG STRESSES INTERNAL UNITY BEFORE RESISTING FOREIGN AGGRESSION

China must achieve her internal unity and stability before she can successfully repulse foreign aggression, declared Wang Ching wei, Chairman of the Central Political Council and former President of the Executive Yuan, in a speech at the weekly memorial service at the National Government House Feb. 1. No country in the world, said Mr. Wang, can talk about resisting foreign encorachment when it is incapable of putting its own house in order. In order to successfully put up armed resistance against alien invasion, in the view of Mr. Wang, the people must accumulate their material as well as mental strength. Such process of accumulation can not be brought about unless domestic unification and stability are achieved. Mr. Wang admitted that headway has been made along this line in recent years, military and political unification is no longer a slogan. On the other hand the Government has started work on economic reconstruction of the country. Meanwhile, he continued, the Central Government has also rigidly pursued its positive diplomatic policy. In diplomatic negotiations it is striving to put China's foreign relations on the normal path. In the way of resistance, it is doing its utmost to safeguard the nation's territorial integrity. The recent Sian trouble, Mr. Wang deplored, has dealt a big blow to the nation's solidarity and stability. Although Generalissimo Chiang Kai-shek has escaped unharmed and although prospects are still bright for the peaceful settlement of the Shensi impasse, unscrupulous elements are still working against the policy of the Central Government in national salvation. The Chinese people should possess one common determination to work for national salvation, Mr. Wang concluded.

Writing for the February issue of the *People's Tribune* under the heading of "China's Unshaken Confidence in Democratic Ideals," Chairman Wang Ching-wei of the Central Political Council states that China now and in the future will continue to proceed along the highway of democracy, because dictatorship does not suit national conditions in this country. The Kuomintang, Mr. Wang asys, both believes in and practises the principles of democracy, and during the last few years General Chiang Kai-shek has repeatedly emphasized the incompatibility of dictatorship with Chinese conditions. Thus there is no question that today and tomorrow China will follow closely the path of democracy. Critics of democracy point out many defects in the system, Mr. Wang continues, but Dr. Sun Yat-sen recognized and corrected all the defects in his *San Min Chu I*. If China practises democracy on the basis of the *San Min Chu I*, all the defects of the system can be avoided. Mr. Wang ridicules the so-called "People's Front" as advocated by the Communists, for, as he maintains, only the Kuomintang is capable of uniting the masses of China. The Communist party aims at class-struggle. Instead of uniting all classes, it favors dissolvtion of the nation's forces, and the Sian revolt is concrete proof of their ulterior design. Mr. Wang condemns Communism in severe terms and warns China against either adopting it or allying herself with the Communists. Mr. Wang's article is based on a speech which he delivered on Jan. 22 at the Central Broadcasting Station in Nanking and of which a full summary appeared in the Jan. 30 issue of the *Review*.

Following a three-day visit to Fenghua, Chekiang, where he conferred with General Chiang Kai-shek, Mr. Wang returned to the Capital by airplane Jan. 27. Interviewed, Mr. Wang said: "During my visit to President Chiang, I noticed that he looked somewhat leaner than before. Moreover, he is still suffering from pain in the back. Fortunately, he is in high spirits, and his health is improving daily. He will probably return to the Capital before the convocation of the 3rd Plenary Session of the C.E.C. (Feb. 15) when his leave of absence is over.

"With reference to the Shensi-Kansu affair, the Central authorities have shown the greatest patience in awaiting the awakening of the local troops. It is to be hoped that the troops in the two provinces will obey the orders of the Central authorities at an early date and not indulge in further procrastination. Diplomatic and internal affairs will continue to be attended to in accordance with original plans. There is absolutely no necessity for altering the administrative machinery. The date for the convocation of the National People's Congress and other related problems will be decided upon by the 3rd Plenary Session of the C.E.C."

WANG PETITIONS SPECIAL PARDON FOR WOULD-BE ASSASSINS

In a lengthy autographed petition to the National Government Jan. 28, Wang Ching-wei, Chairman of the Central Political Council and former President of the Executive Yuan, asked that a special pardon be granted to all the persons responsible for the attempt on his life on Nov. 1, 1935. Mr. Wang attributed the attempt on his life to the misunderstanding on the part of the criminals, four of whom have each been recently sentenced to seven years of imprisonment by the Kiangsu High Court. This misunderstanding, he said, is excusable as those outside the government had no means to realize his efforts and hardships in serving the state. It may be of interest to recall that Mr. Wang himself was once an assassin and sentenced to life imprisonment shortly after the Reovlution of 1911 for his attempt to assassinate the Manchu regent and that he was later released by a special amnesty.

It is learnt that Wang Ching-wei will henceforth devote his efforts to the economic reconstruction of the country, so that realization of the Principle of the People's Livelihood may be accelerated and the economic strength of the State consolidated.

Despite reports to the effect that Dr. H. H. Kung, Minister of Finance, will most probably succeed Gen. Chiang Kai-shek as President of the Executive Yuan after the Third Plenary Session of the Kuomintang, *Shanghai Nippo* predicted Feb. 1 that Wang Ching-wei would be most likely selected for that post. It is also rumored that Sun Fo, president of the Legislative Yuan, will become vice-president of the Executive Yuan and concurrently Minister of Railways.

Shanghai Mainichi commented on Jan. 29: "At the present time, Wang Ching-wei is the chief leader of the anti-People's Front Bloc. On the other hand, he will be the director of the constitutional administration in China. Wang, who voices democracy, will show his principle in whole China, when the date for the opening of the People's Congress is decided at the forthcoming Third Plenary Session, and the commencement of constitutional government is announced. He will stand in the middle between the People's Front Bloc and the United National Salvation Movement Clique. How Wang will raise his banner and successfully put into practice his ideal, despite the opposition raised by the People's Front Bloc, is a very interesting problem indeed."

HSU REPORTED RESIGNING, SIX CHINESE STUDENTS ARRESTED IN TOKYO

Hsu Shih-yin, Chinese Ambassador to Japan, will return to China in the middle of February, according to *Lih Pao*. It is reported that Mr. Hsu is thinking of retiring. The Ministry of Foreign Affairs has not yet replied to Mr. Hsu.

Six Chinese students were arrested by the Japanese police in Tokyo on Jan. 14 on charges of anti-Japanism, according to *Central News* Jan. 27. The half-weekly paper of which the arrested students were the editors was called the *Liu Tung Hsin Wen*, and was owned by Chinese students in Japan. The six arrested students include Chang Chien-tung and Chien Chia-fu of the Waseda University, Lu Kwei-wen and Chien Pai-tun of the Tokyo Imperial University, and other two yet unidentified.

Revision of the terms of the law on the use of certain balances of Japan's share of the Boxer Indemnity for the encouragement of cultural enterprises in China was approved recently by the Japanese Cabinet, *Reuter* reported Jan. 27. The revised terms will make it possible to invest the capital fund in "bonds or sound enterprises" in China. As a result of this it is expected that the China Cultural Enterprise Commission will invest heavily in railway debentures and similar undertakings in North China, which will contribute to the economic development of that area. The Foreign Office favours using Yen 25,000,000 to buy Chinese Treasury notes issued to redeem loans for the construction of the Shantung Railway. These pay interest at 6 per cent. The remaining Yen 11,000,000 of the fund now deposited with the Finance Ministry would be kept in reserve for suitable railway and mining enterprises in North China.

"NIPPO" COUNSELS REVISION OF JAPAN'S CHINA POLICY

Before Japan can hope to readjust her relations with China, she must learn the latter's desires in the matter, the *Shanghai Nippo* said editorially Jan. 26. Great Britain, the journal pointed out, has expanded her material and ideological influence in China by striving to meet the latter's needs and wishes. This attitude was, according to the *Nippo*, especially noticeable in the support given by British banks in the reform of the Chinese currency. One of the major reasons for the resignation of Premier Koki Hirota's Cabinet was its "blundering diplomatic policy", the daily asserted. The new Cabinet, the *Nippo* said, must exhibit a "deeper understanding of the actual situation in China, if it hopes to secure true rapprochement between the two nations." Hachiro Arita's successor in the Foreign Office must realize, the daily continued, that Japan's present China policy cannot possibly lead to the termination of the present deadlock in Sino-Japanese relations. Protracted negotiations in Nanking have thus far resulted in nothing more significant than the settlement of the Chengtu and Pakhoi incidents, the *Nippo* reminded. The responsibility for this "must, of course, be placed on the Chinese shoulders, but it cannot be denied that some blame attaches to Japan's mental unpreparedness for the negotiations". "In other words," the daily explained, "one of the important reasons for the inability of the two nations to come to agreement was the Japanese Government's failure to appreciate the true significance of the developments in this country. It must be admitted that Japan's three-point forgram advanced in the Nanking negotiations could not have been accepted by the Chinese under the present circumstances. To secure China's approval of the proposals for rapprochement, other paths must be followed. To bring the Sino-Japanese relations to normal tracks, a situation must be created which would make China willing to consider and accept our proposals." "Until these preparatory steps are taken, any attempts to obtain her acquiescence to Japan's proposals will only cause an unsatisfactory reaction".

"ORDER" BY JAPANESE AGENT TO SUIYUAN BANDIT LEADER INTERCEPTED

General Fu Tso-i, Chairman of Suiyuan, disclosed Feb. 2 that an "Order" to Chang Wan-ching, a bandit divisional commander, had been intercepted. The "Order" contained instructions from Tanaka, Chief of the Japanese Special Service Mission at Kiapossu, western Charhar, and was issued by the so-called 1st Army Headquarters at Shangtu, western Chahar. Two paragraphs in the "Order" read as follows :—

1.—"Tanaka, Chief of the Special Service Mission, has full confidence in you (Chang Wan-ching). The situation in China affords an opportunity for us to expand; there is nothing for worry. You should try your best to carry out my instructions. "(Tanaka)."

2.—"You should make clear to your subordinates the general situation in China, especially the Sian trouble, and should encourage your subordinates so that great success may be achieved."

Ignoring the repeated protests of the Waichiaopu, Japanese military planes continue their illegal flights over Tsingtao. On Jan. 30, two Japanese machines landed at Tsingtao and after a brief stopover, they took off for Dairen and Tientsin respectively.

A secret plot of a group of communists to create disturbances in Chengteh, capital of Jehol, has been discovered by gendarmes of "certain quarters," according to information reaching Nanking. The plot was foiled following the arrest early in January of a youthful communist who confessed that other Red agents were involved in the scheme.

SUIYUAN DEFENSE FUND TOTALS OVER $1,500,000

The funds for the defense of Suiyuan sent to Kweihua and Taiyuan from all parts of China and overseas Communities abroad have now reached a total of over $1,500,000, according to official announcement at Kweihua Jan. 27. Meanwhile, large quantities of "comforts" have continued to reach Kweihua. They will be distributed among the officers and men defending suiyuan, including those ex-"Irregulars" who have turned over to the government fold.

A consignment of 160,000 catties of flour, donated by philanthropic organizations of Hongkong, to the Suiyuan refugees, has been delivered to the Peiping Office of the 35th (Suiyuan) Army and will be conveyed here by the Peiping-Suiyuan Railway for distribution among the refugees.

General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council and Commander of the 29th Route Army, has decided to remain in Tientsin for the next two weeks to conduct diplomatic negotiations with the Japanese, as Chen Chung-fu, Head of the Foreign Affairs Department of the Committee, has already been relieved of his post.

SHANGHAI PAYS TRIBUTE TO WAR DEAD OF 1932 HOSTITILIES

The undeclared war launched on Shanghai by the Japanese at midnight of January 28, 1932, was commemorated at a memorial service at the Tomb of the Unknown Soldier at Miaohong, west of Kiangwan Jan. 28. A large crowd of people representing all walks of life gathered at the Tomb at 9 o'clock to pay tribute to the heroes who sacrificed their lives in defending the Chapei area against the invaders. Mayor Wu Te-chen of Greater Shanghai personally laid a wreath at the Tomb as a token of respect and admiration for the heroism demonstrated by the defenders during the Shanghai-Woosung hostilities. Presiding over the service, Tao Po-chuen, member of the City Tangpu, delivered a speech eulogizing the heroic deeds of the dead. Tu Yueh-sen, Chairman of the Shanghai Civic Association, also spoke at the service. In mourning of the occasion, all National flags were half-masted throughout the city. The day passed quietly without any untoward incidents.

The fifth anniversary of the Shanghai War of 1932 witnesses Chapei making slow but steady progress on the road towards rehabilitation from under the smouldering ruins and destruction wrought by the invaders. Before the fateful Jan. 28, 1932, the Chinese-controlled area of Chapei claimed a population of 500,000, including 3,994 foreigners. But following the hostilities and the subsequent "war scares", precipitated by the Nakayama and Kayau "incidents," the population has dwindled by more than 20 per cent, according to a recent survey. Much effort has been exerted by the Chinese authorities to remove the debris and to restore the city to its former place, and although little progress has been made in the construction of buildings, the government has spent over $200,000 during the last five years in opening and paving new roads in that area.

GEN. CHIANG KAI-SHEK ARRIVES IN HANGCHOW

Gen. Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission, arrived at Hangchow at 4 p.m. Feb. 2 from Fenghua. He was accompnaied by Madame Chiang, Gen. Ho Yao-chu, former Chinese Minister to Turkey, Gen. Hsu Yung-chang, and Chen Pu-lai. The Generalissimo, whose health has much improved following one month's recuperation at Fenghua, will stay at Hangchow for some time before returning to Nanking to attend the Third Plenary Session of the Central Executive Committee to be held on Feb. 15. General Chiang has been granted another two weeks of leave of absence.

Accompanied by Madame Chiang, General Chiang Kai-shek left Chikow, Fenghua, by motor-car at 3.30 p.m. Feb. 1 to inspect the Chinhsien (Ningpo)—Fenghua and Chinhsien-Hengki Highways and the Siangshan Harbor. After a stop at Mochihyen at 5 p.m. due to snowfall, they proceeded to inspect the water conservancy work on the Tungchien Lake, and returned to Chikow at 6.20 o'clock.

A delegation of 140 students, representing the various universities in Peiping, will leave for Nanking on Feb. 12 to present a sword to Gen. Chiang Kai-shek on Feb. 15.

MANY CHANGES PREDICTED IN NANKING GOVERNMENT

Numerous changes in the personnel of the National Government are expected after Third Plenary Session of the Kuomintang, according to *Hwa Mei Wan Pao* Jan. 29. Dr. H. H. Kung, Minister of Finance and concurrently Vice-President of the Executive Yuan, will be appointed President of the Executive Yuan to succeed Gen. Chiang Kai-shek. Wang Ching-wei, Chairman of the Central Political Council, will become President of the Legislative Yuan in succession to Sun Fo, who will be appointed Vice-President of the Executive Yuan and concurrently Minister of Railways. T. V. Soong, chairman of the Board of Directors of the Bank of China, will be appointed Minister of Finance to succeed Dr. H. H. Kung. It is believed, however, that Mr. Soong has declined this post and that Dr. Kung will be concurrently Minister of Finance. As to the post of Minister of Foreign Affairs, either Dr. Wang Chung-hui, former judge of the International Court of Justice at Hague, or Dr. W. W. Yen, formerly Chinese Ambassador to the U.S.S.R. is expected to occupy it. It is further reported that Dr. Kung will resign from his post as governor of the Central Bank of China. Chang Chia-ngau, Minister of Railways, will be promoted to the governorship. According to another report, Mr. Chang will be appointed general manager of the Bank of Communications.

In an interview with the press, Dr. Kung declared that he is not in good health and wanted to go to Europe to receive medical treatment long ago. He was asked by the Central Government to remain at his post on the understanding that when opportunity offered he would be sent abroad to recuperate. It is for this reason that the Central Government plans to appoint him as China's representative to attend the Coronation of King George VII in May. It is reported Dr. Kung still hopes to be able to go to England in March, after the Third Plenary Session.

REPORT OF DR. YEN REPLACING CHANG IN WAICHIAOPU DENIED

Current rumors that Dr. W. W. Yen, former Ambassador to Moscow, would shortly replace Gen. Chang Chun as Minister of Foreign Affairs were categorically denied in official circles in Nanking Jan. 29, according to *Central News*. The recent trips of Dr. Yen between Shanghai and Hangchow and his visit to Nanking, it was surmised, gave rise to such rumors. As a metter of fact, the veteran diplomat will probably be appointed State Councillor in succession to Dr. C. T. Wang, who has been named Chinese Ambassador to Washington.

Rumours that he would be appointed Minister of Foreing Affairs were emphatically denied by Dr. W. W. Yen, when interviewed by the *Central News Agency* upon his return to Tientsin from Nanking Feb. 1. In view of his old age Dr. Yen considered himself unfit for heavy government responsibilities. He said that he would prefer to stay in Tientsin and devote himself to industrial enterprises. Dr. Yen also denied the reports that he had been to Fenghua to interview General Chiang Kai-shek.

Dr. Yen, according to a *Shun Pao* reported Feb. 2, has decided to make an investigation tour in the various European countries in the near future.

T. V. Soong, member of the Standing Committee of the National Economic Council and Chairman of the Board of Directors of the Bank of China, is not planning to go to Szechuan at present as reported in the press, the *Central News Agency* reported Feb .1.

LI TSUNG-JEN, HAN FU -CHU PREPARED TO ATTEND C.E.C. SESSION

Gen. Li Tsung-jen, Pacification Commissioner of Kwangsi, will fly to Nanking from Kweilin on Feb. 7 to interview to Central authorities as well as to attend the Third Plenary Session of the C.E.C. to be held on Feb. 15, according to a message from Hongkong. The dispatch says that Gen. Li will be accompanied by Gen. Huang Hsu-chu, chairman of Kwangsi. Another message from Tsinan states that Gen. Han Fu-chu, chairman of Shantung, will also come to Nanking to attend the Party session.

Due to pressure of duties in Taiyuan, General Yen Hsi-shan will be unable to attend the 3rd Plenary Session of the 5th Central Executive Committee and he will depute Chao Pei-lien to represent him. Important proposals are being prepared by the Shansi leader for submission to the forthcoming Session.

In view of the enthusiastic popular response for the airplane gift fund in celebration of the 50th birthday of General Chiang Kai-shek, President of the Military Affairs Commission, it is now proposed to launch a movement for raising a National Defence Fund in celebration of the forthcoming 70th birthday of President Lin Sen. The promoters of the movement have already contributed $100 toward the fund, and remitted the gift to the National Government through the *Tung Nan Jih Pao* in Hangchow.

Doihara Slated for Post of Chief of Kwantung Army

Lieut.-Gen. Kenji Doihara, known throughout the world as "Lawrence of the Orient," may soon return to the scene of his earlier activities in Manchuria. Military circles in Tokyo this week regarded him as the leading contender for the important post of Chief of the Kwantung Army's Staff, whose present head, Lieut.-Gen. Seishiro Itagaki is expected to become Vice-Minister of War in the new Cabinet.

Lieut.-Gen. Doihara, whose activities were carried out in his capacity as Director of the Kwantung Army's Special Service Division in Mukden, is now attached to the First Division. His leading rival for the coveted post in Manchuria is Lieut.-Gen. Hideki Tojo, a divisional commander presently stationed in the new State.

Strengthening the Economic Links Between Japan and Manchukuo

Officials of the South Manchuria Railway Company Feb. 2 motivated the appointment of Vice-Admiral Dr. Takuo Godo, President of the Showa Iron Works, an auxiliary of the S.M.R., as Minister of Commerce and Industry by the Army's desire to strengthen the economic links between Japan and Manchukuo.

Fokker Planes Leave on Flights to Manchuria

Commanded by Major-Gen. Tetsuji Giga, three eight-passenger Fokker monoplanes attached to the Air Corps at Kagamigahara, Aichi Prefecture, departed early Jan. 31 on the first of a series of Army flights to Manchuria. After engaging in several flights designed to test both the personnel and the machines in sub-zero weather, the group will return to their starting point on Feb. 20.

Col. Shintaro Kutiyama, commander of the Second Aviation Regiment, plans to leave Kagamigahara on Feb. 12 at the head of a flight of six observation craft on a 7,000-kilometer tour of Manchukuo. This unit will also return on Feb. 20.

Government Control of Insurance Business in Manchukuo Is Now Complete

The *Tokyo Asahi* Jan. 24 stated that due to the good offices of the authorities of the Ministry of Commerce and Industry and the compromise offered by the Japanese insurance industrialists, the Manchuria Fire Insurance Company establishment issue is about to be solved. With the establishment of the life and loss insurance companies and the coming establishment of the fire insurance company, the control of insurance business in Manchukuo has been made complete.

British Consul General Butler Expected to Return to Mukden in April

P. D. Butler, British Consul-General at Mukden, who left on long leave in July last year, is expected back in Mukden in April.

Hsinking Files New Border Clash Protest

A protest against the alleged attack by 20 Soviet cavalry men upon a Manchukuo border patrol, in the afternoon of Jan. 28, near Manchouli, was filed this week with Michael Slavutsky, Consul-General in Harbin. The attack, the Foreign Ministry said, was repulsed.

Former Manchurian Anti-Japanese Volunteers Arrive Back from Russia

Fifteen Chinese Anti-Japanese Volunteers, including five officers, formerly under Gen. Ma Chan-shan, ex-chairman of the Heilungkiang provincial government and hero of the Nonni River Bridge battle, who arrived in Shanghai from Siberia, via Vladivostok, last week, fasted for one day in memory of the fifth anniversary of the Sino-Japanese hostilities in Shanghai Jan. 28.

According to the spokesman of the group, about 600 Chinese soldiers and officers withdrew into Siberia in 1932 following their defeat at the hands of the Japanese in northern Manchuria. During the last five years they have been engaged in mining work under the Russians. Most of the men who returned this week are natives of Shantung and Hopei and are eager to re-enter military service.

World Cotton Production Estimated at 30,-200,000 Bales by U.S. Government

The U.S. Department of Agriculture Jan. 28 estimated world cotton production for the 1936-37 season at 30,200,000 bales, as against its earlier estimate of 29,900,000 bales, and last season's 26,500,000 bales.

Dispute Over Yunnan-Burma Border Line

According to reports from the Yunnan border, the decision of the neutral member of the Yunnan-Burma Border Demarcation Commission regarding one section of the boundary line is in favor of the British side. It is reported by the *Ta Kung Pao* that the Chinese members will not be able to accept this decision.

Huge Amount of Paper Notes Issued by Nanking Banks in December

The total amount of paper notes issued by the Bank of China, the Central Bank of China and the Bank of Communications by the end of December 31 last year, was $1,079,948,233.92 with cash reserve only amounting to $675,-171,393.52. The figure of the total amount of paper notes issued up to December 31 showed an increase of $53,265,896 worth of notes as compared with the figures up to November 30, last year, the *Kang Pao* of Jan. 17 stated.

Shanghai Groups Seeking Lower Rates on Income Tax

Seeking a lower tax on their earnings and a yearly reckoning instead of a semi-yearly, two delegates representing the professions of engineering, architecture, accounting, law, and medicine in Shanghai, made a round of visits to government offices in Nanking this week to present their petitions.

Miss Butterfly Wu Pays $253.60 Income Tax Monthly

The *Lih Pao* says Miss Butterfly Wu, the famous Chinese movie actress, pays $253.60 in income tax every month. Miss Wu receives a salary of $1,900 per month from the Star Motion Picture Company.

Customs Revenue Showed Increase During Last Half of 1936

Despite the widespread smuggling during last July, August and September the customs revenue for the period from July 1 to Dec. 31, 1936 reached $190,000,000, exceeding the estimated figure of $180,000,000 for the first half of the 25th fiscal year.

Widespread Smuggling Hits Northern Imports

As a result of the widespread smuggling in North China, legitimate imports recorded at the ports of Chinwangtao, Tientsin, Lungkow, Chefoo, Weihaiwei and Tsingtao totalled a value of only $140,903,000 last year, as compared with $150,-133,000 in 1935. On the gold unit basis, the decrease amounts to 24 per cent, the Shanghai *Nichi-Nichi*, Jan. 27 stated.

Financial Statement for 23rd Fiscal Year Balanced at $1,212,013,213.27

The final financial statement of the National Government of China for the 23rd fiscal year, ending June 30, 1935, was released by the Directorate General of Budgets, Accounts and Statistics at Nanking, Jan. 31. The statement was balanced at $1,212,013,-213.27, representing an increase of $383,301,525.27, over the 22nd fiscal year.

Rice Famine in Kwangtung Being Alleviated by Shipments from Other Provinces

The serious foodstuff shortage in Kwangtung is expected to be relieved shortly, as large quantities of rice are being shipped to that province from rice producing centers of the country. Cheng Pao-chao, director of the Central Foodstuff Transportation Bureau, who has been commissioned by the Ministry of Finance to investigate the situation in Kwangtung returned to Nanking from Wuhu last week and has in the meantime proceeded to Canton *via* Hankow.

Yu Han-mou, Pacification Commissioner for Kwangtung Province, dispatched a telegram to the Ministry of Finance at Nanking, requesting the prohibition of the export of rice from Kwangtung. The Finance Ministry will likely issue a mandate, accordingly.

That the Customs Import Duty collected on foreign rice in Kwangtung be suspended for half a year in order to relieve the rice famine in the province, was urged by the Kwangtung Provincial Federation of Chambers of Commerce in identic petitions to the Central and Provincial authorities Feb. 1.

A total of 3,636 tons of rice, equivalent to 6,108,480 catties, was transported from Hunan to Kwangtung during the week ending Jan. 31.

Eight Granaries to Relieve Rice Shortage in Kwangtung

As a fundamental step to relieve the present rice shortage in Kwangtung, eight large granaries will be constructed in the nearest future in key cities of the province, including Canton and Swatow, at a cost of $500,000 each.

Yunnan Places Embargo on Export of Foodstuffs to Annam

As a result of rice shortage and sky-rocketing in prices, the Yunnan provincial government has declared an embargo on the export of foodstuffs to Annam. Due to the recent large-scale "barter" of Japanese goods for Chinese foodstuffs on the Yunnan-Annam border as well as a protracted drought since the advent of winter, the price of rice has soared sky-high.

Riots Spread in Szechuen Owing to Rice Shortage

As a result of the greatly increased price of rice in the various districts of Szechuen province, reports of rice looting incidents are pouring into Chungking. In the Iping district, a mob looted 10 rice boats on January 28.

China at the Cross-Roads—Dictatorship or Democracy?

BY C. Y. W. MENG 孟長泳

THE history of the Chinese political evolution is indeed a momentous and laborious one! Emerging from several thousand years of isolation from the Western world, and being so angered by a series of defeats in the hands of the Foreign Powers, when the Empire was ignominiously vanquished and plunged into the depth of humiliation, and being encouraged by the success of Japan to gain parity with the Western nations by the adoption of Western methods and institutions, China, by overthrowing the Manchu regime and by discarding all her old institutions, astonished the world with her debut into modern democracies. The first shot in Wuchang (in the Province of Hupeh) signified the outbreak of the famous Revolution of 1911 in China. Although the Revolution took place rather late, it was essentially a 19th century revolution, which took place in many other countries long ago, when monarchy was condemned and democracy was instituted in most countries, and when the demands for liberty, equality and popular rule could be heard everywhere.

But the net result of China's 20 years' venture in democracy seems to be in inverse ratio to the zeal with which the nation has awaited a new dawn. As a result, it is not infrequent for us to hear that "China is hardly better off today than at the close of the last century!" At the same time, it is also most unfortunate to the Chinese democracy that before democracy has become a success another new wave is sweeping Europe, and another new fad in government has been in evidence. In other words, partly, it is the "failure" of democracy to meet the needs of the time in China; and partly, it is the "success" o the dictatorship to effect the revival of the nations in other countries which has put China at the cross-roads today! Should China continue the journey toward democracy? or, Should China follow the wave towards dictatorship?

Undoubtedly, the decision on these questions is one of the most important problems facing China and the Third Plenary Session of the Central Executive Committee and the Central Supervisor Committee of the Kuomintang, to be held on Feb. 15: Whether the "Period of Political Tutelage," (expired long ago) which means rule by the party (Kuomintang), should be ended? Whether the Convocation of the National Assembly (scheduled to be held sometime in November, 1936, but postponed to 1937) should be held on time? Should the Chinese Permanent Constitution no longer provide that "The Chinese Republic is a San Min Chu Yi (the Three People's Principles Republic"? Should the status of the opposition party be recognized? Or, whether reforms in the central administration should take place to institute a stronger and more centralized government? Whether General Chiang Kai-shek, now the Leader of the Chinese Nation, should again be put in as the President of the Executive Yuan, and concurrently, chairman of the Military Affairs Commission, and chairman of the Standing Committee of the Kuomintang, the highest organ in the country? All these questions, when analyzed, may be reduced to a simple question of Dictatorship or Democracy?

Chiang Kai-shek, Wang Ching-wei and Chang Hsueh-liang on Dictatorship

General Chiang Kai-shek, in interviews with foreign pressmen sometime ago, assured us that "China's position is different from that of Germany, Italy and Turkey; therefore there is no necessity for a dictatorship". In his subsequent interview, Wang Ching-wei, the then President of the Executive Yuan, also told us that "China wants no dictatorship."

That the issue has become quite acute can be seen from the fact that Wang Ching-wei, immediately after his return to China, and in his first important speech delivered on January 24 in Nanking before a congregation of the cabinet ministers, chose as his subject "Democracy," pointing out that "China will cling to democracy," and that "dictatorship does not suit the conditions of the Nation"; etc. However, aside from pointing out that Dr. Sun Yat-sen's Three People's Principles would correct the many defects of the democratic system, our learned statesman did not elucidate the whole situation clearly to us, and failed to discuss many other phases of the problem. A true democracy presupposes the "abolition of one-party rule", and the "recognition of the status of the opposition." In a constitutional democracy, ". . . . while the majority party is the servant of the people, the opposition is the public watchman, supervisor, monitor and the alternate of the servant . . . . and the independents (to which we belong) are the judges or umpires in political games . . . . the more impartial and conscientious they are, the better is the democracy . . . ." (Bau—"Modern Democracy in China," P.331-2). By saying that "China will cling to democracy," and yet, by claiming that "China is still in the period of political tutelage under the Kuomintang" (quoted from his speech), the chairman of the Central Political Council has apparently contradicted himself; and it simply reveals to us that this problem has by no means been "solved" in one way or the other by the Chinese leaders today!

But "Mr." Chang Hsueh-liang, former Manchurian chief, and until recently, the leader of the Sian Revolt, in his interview sometime ago, expressed his conviction that "dictatorship is the only solution of China's political tangle", and it is "dictatorship, not democracy that China wants today". Apparently, this is the result of his personal observations in Europe.

Arguments for Dictatorship

Dr. T. F. Chiang, an historian of international repute and now the Chinese Ambassador to Russia, in a series of articles in the *Independent Review*, edited by Dr. Hu Shih, in his argument for dictatorship for China, said *inter alia* that ". . . . Our heritage from the Manchus is no good as, so to speak, the capital for our revolution, for the following reasons: First, we are still a dynastic state and not a national state; we have loyalty to the family and one's native province, or place, but none to the state. Secondly, our despots did not bequeath us intelligentzia to serve as the nucleus of the new regime; our monarchy is one which destroyed everything to hold the state together except loyalty to the emperor, so when the monarch is gone, we are like a heap of sands which cannot stick together. Finally, the material side of our civilization lags too far behind that of other countries, and we can't resist foreigners, fishing in our muddy waters. In a word, we have not built our national state yet, and we can't profit by any revolution . . . We should, therefore, help the forces that work for the unity of the nation and remove all the germs that threaten to disrupt our national unity. Our problem at present is one of national existence and not a problem as to the form of government we should have."

Arguments for Democracy

Refuting Dr. Chiang's arguments for dictatorship, Dr. Hu Shih, a philosopher of international reputation, points out in a series of articles that his reasons against dictatorship are three: "First, before we launch upon dictatorship, we must first ascertain whether or not we have one man, a party, or a class, who, as an individual or a party or a class, is fully qualified to be the dictator . . . . To be successful he must be a born dictator, but he must also be a man of experience and with learning . . . . Second, I do not believe it possible for us to find a magic formlua with which the supporters of dictatorship may captivate the sentiment and reasoning faculty of the entire nation and rally the people to one leader, party, or class so as to make the dictatorship possible . . . . Even such a slogan as 'National Salvation Through Resistance to Japan' lost its appeal before the end of two years . . . . If the nation can't rally to a cause of national salvation, can it rally to a leader? . . Third, and my last, argument, is that my observation of politics in the past few decades convinces me that democracy, an infantile political system, is most suitable as a drill for our people who are still lacking in political experience. Our observation of the working for the parliaments and local assemblies of different democratic countries tells us, that high praises of the worshippers of the democratic ideal notwithstanding, the system is childish to a degree. It has not attracted to it the best talent in the country. However, its strength lies in the fact that it works tolerably well without the unusually well-gifted persons at its helm. It is the government of common sense, and not of the best talents which benevolent despotism requires. It may begin with an humble beginning, but is capable of gradual development and attainment. It will give us the best exercises in politics, both in governing and being governed. If we take to heart the lessons that the democratic countries in the west have for us, then after a few decades we may try a hand in the benevolent despotism." (For details, see *The China Critic*, Vol. VII, No. 27).

The Cause for the Rise of the Dictatorship

But it seems to me that our learned scholars have only discussed one phase of the problem, but failed to discuss the more fundamental issue—that is, the cause for the rise of the dictatorship; and in order to decide whether China needs dictatorship or not, we have first to study and ask: Does a similar situation which has brought about the dictatorship in other countries also exist in China today?

To such authorities as Dr. Wilhelm Stekel, the great Viennese psychiatrist, "the collapse of the authority complex" is the cause. ". . . . Since about 1914 the Authority Complex has tended to break down. It is obvious that the family is no longer the sacred unit it once was . . . . The Great War undermined authority internationally, and presently law and order within national boundaries suffered . . . The modern child thought his parents unworthy and, thus sought an external leader . . . The sphere of authority had been moved outside the home . . . . The reason is that individual doubt of the fallibility of the dictator is lessened as more and more people come to follow and worship him. . . . The greater the number of followers, the less the necessity for doubt . . . ." (John Gunther—*Inside Europe*, P. 24-26.)

But the headline books on "Dictatorship" (Number 3, 1936), issued by the Foreign Policy Association in America, gave better reasons for the rise of modern dictatorship. It explains: ". . . For centuries the people of the world had been struggling foi democracy . . . . Then one thing happened . . . . Out of the

chaos which followed the War, a new form of government arose . . . . Bewildered people were willing to surrender their freedom in exchange for strong leadership which promised to give them order, security, purpose, and hope . . . . Science and invention have transformed means of travel and communication, methods of industry and agriculture, and the ways in which men live . . . . Life is no longer so simple . . . . Now both men and nations are interdependent, securing from one another all of the necessities of life . . . . What are these changes going to mean to Democracy, which fought for greater freedom for the individual? . . . . Many say that 'security' is more important than freedom, that strong control and careful planning are necessary, and that some new form of government must be devised . . . ." As a result, in 1920, there was only one dictatorship, but now many other nations have followed suit, and today more than three hundred and fifty million people are ruled by dictators.

The Theory of the "Authoritarian State"

This leads us to ask: Does the dictatorship provide us with such "security?" Does it meet the needs of today? We can do no better than to quote what was observed by some keen and well-informed authorities. Dr. Paul Einzig, a well known economist, in discussing "Nazi Economics at Work" (Current History, October, 1935), pointed out that "Economic recovery in Germany since the beginning of 1933 has undoubtedly gone further than in any other countries." Continuing he said, "the U.S. and other countries which embarked upon public work schemes have been spending what they have possessed. Germany, on the other hand, has been spending non-existent billions . . . .". How? Dr. Schacht, president of the Reichsbank and Minister of National Economy, in his speech at Koenigsberg on August 18, 1835, answered the question when he stated that "Germany had been able to finance her public works because she was an authoritarian State, whereas under a parliamentary system it would have been impossible to carry out that task." There is much truth in his remark.

During 1933 industrial employers were simply called upon to re-engage a certain number of workmen. They had to be put on the payroll. Protests and complaints were of no avail. If the German Treasury requires additional funds, the resources of banks, savings banks, insurance companies and other financial institutions are simply commandeered. This is what happened in January, 1935, when the savings banks were called upon to take over a loan of 500,000,000 reichsmarks. In August the Treasury was able to repeat the operation and ordered the savings banks to take over another 500,000,000 reichsmarks. The whole import trade was brought under government control so as to prevent the waste of foreign exchange resources upon unnecessary imports. On Dr. Schacht's initiative, a special levy was raised from home industries for the purpose of subsidizing exports. Under the working of the theory of "authoritarian State," "economic conditions under the Hilter regime have continued to improve" (Einzig's article, in the October Issue of *Current History*, p.24).

Roosevelt's Administration, A New Type of Dictatorship

When "security" means more than liberty and freedom, even the U.S., the mother of modern democracy, is going towards the dictatorship. By enforcing the many National Recreation Acts, by disregarding all judicial interpretations and decisions (the U.S. Supreme Court declared the N.R.A. "unconstitutional"), and by levying the "soak-the-rich tax", etc., the U.S. revealed to the world that, owing to the change of the situation and times, even the most democratic nation has followed the tide by telling the people that ". . . . millions of familes are trying to live on incomes so meagre, the pall of family disaster hangs over them day by day . . . . one third of the nation is ill-housed, ill-clad and ill-nourished . . . ." The President—if I am correct in the interpretation—has opened a direct challenge on the social and economic order under the democratic system. By pointing out that "he will not add more to the abundance of those who have much, but to provide enough for those having too little," etc., the President has launched another attack on the operation of the theory of "distribution" of the capitalist nations. By demanding from the Congress "almost unlimited power" to effect the most complete reorganization of the government in the history of the nation; by announcing that the Administration will continue and accelerate the social-economic program which comprise the New Deal's philisophy; and further by curbing the power of the Supreme Court, the President has demonstrated his determination to push through his program to make a Great Nation out of chaos and depression. By re-electing him for a second term, the American Nation has shown that they have more confidence in their Executive to lead them to the door of prosperity.

What General Chiang Kai-shek Should Do

There is no denial of the fact that the same situation exists in China today as in other countries. The Authority Complex has collapsed. It is not infrequent for us to hear when sons and daughters openly accuse their parents of being "too old minded," or of "driving the cars backwards." The nation-wide celebrations of General Chiang's 50th Birthday, and the great concern expressed by the Nation over his safety in Sian have all convinced us that the Chinese masses "are willing to surreunder their freedom in exchange for strong leadership which promises to give them order, security, purpose and hope." I believe it is better for China to admit openly that she has more confidence in the 20th century dictatorship than in the 19th century democracy.

This leads us to ask: What should General Chiang do under the present situation, and I venture myself to offer some of my answers as follows:—

(1). Like President Roosevelt, he should ask the present Kuomintang Conference or the National Assembly to give him "almost unlimited power" or the "emergency power" to effect the reorganization of the government when he will form the most strongly centralized government in Chinese history. He shall, by virtue of this power, issue many "special laws" to take effect in place of other codes, imposing far more heavy punishments on the criminals, particularly, on "corruption" and "squeeze" of the officials—civil and military alike—by the death penalty.

(2). He shall issue billions and billions of bond-notes, and the Chinese bankers are simply called upon to take all of them. In case of necessity, the resources of banks, insurance companies and other financial institutions are simply commandeered. With the funds so derived, he shall proceed far more vigroiously with the many reconstruction works which shall all be achieved with surprising speed. Every cash so derived must go to the armament preparations and the reconstructive works; the details of the latter shall be made public at the end of every fiscal year. All complaints and protests shall be ignored; and no reasons need be given except to announce that: (*a*) he will not "add more to the abundance of those who have much but to provide enough for those having too little;" (*b*) that where "the great national wealth could be vastly spread for the sake of human comfort and when the lowest standard of living can be raised far above the level of mere subsistence" (quoted from President Roosevelt's inauguration speech); (*c*) that he wants to accomplish something "whereas under a preliminary system, it would have been impossible to carry out that task", and (*d*) that he will not permit the bankers to become more rich in the country by investing all their money, (except only fractional parts in the agricultural industry for the relief of the miserable farmers) on land in return for high rentals.

(3). He shall realize that "all dictators have a habit of using a foreign issue to consolidate the internal strength" (quoted from Dr. Lin Yu-tang's article on "China Uniting Against Japan" in the *New York Times* dated December 20). Indeed, the Manchurian adventure, the reoccupation of the Rhineland, the Abyssinian campaign were all taken with the definite object of averting the internal crisis. I predict, not with probability but with certainty, that should the political crisis in Tokyo turn worse after the fall of the Hirota cabinet, the Japanese militarists will soon embark on another "adventure" in China as a means to avert another crisis at home. So the dictator in China should adopt the same tactics. The policy of "in order to resist the aggression from outside, we must first pacify the conditions within" should, therefore, be changed into its reverse order. That is: "In order to pacify the conditions within, we must first resist the aggression from outside."

(4). He shall adopt a stronger policy towards Japan. To quote again Dr. Lin's article, he said: "Chiang Kai-shek would not have been able to command this national support a year ago, or even two months ago, before the change of tone in Nanking's diplomatic dealings with Japan. The support that the Chinese nation is rendering Chiang is based solely on the conviction that he is preparing for war against Japan . . . ." The march first towards Chahar to recover the lost six hsien, then to Jehol, and then to "Mukden" will undoubtedly and immediately gain him the most popular support, and will turn him overnight into a national hero in Chinese history!

(5). He shall form a better "Brain Trust" of men of greater ability and higher aspirations.

In other words, I agree that "China wants dictatorship today," but not exactly the German or Soviet type; nor wholly the American type, but, rather, a "mixture of both." It is because under the German or Soviet type, it is true that it would be possible "to accomplish what is highly impossible under the parliamentary system"; but it leaves no other alternative to the opposition than to go to the "concentration camp" or to face the execution squad. But, on the other hand, under the American type, it is true that the status of the opposition is recognized, but it would be impossible "to accomplish what is highly impossible under the parliamentary system." So I prefer the "mixture" of them, adopting what is needed in China, and taking only what is good to China but discarding what is bad. On the one hand, I want to preserve the spirit of constitutionalism and to permit the opposition to exist—a step, I believe, which will do much to avert the many "political uprisings," "revolts," "civil warfares," etc.—and on the other, I want to achieve the centralization of the authorities to one leader by sacrificing part of our liberty and freedom. This "new type" of dictatorship in China will remedy many of the defects, not only of the 19th century democracy, due to the change of our time and conditions, but also, the 20th century dictatorship, owing to the different conditions in China today. Such is the solution for this pressing Chinese political problem, and such is what General Chiang should do at once!

Nanking, January 28, 1937.

Roses by Other Names—Meet Mr. "Blotch" and Mr. "Louse-Napkin"

BY EARL H. LEAF

THE favorite exhibits of a Chinese friend who is making a collection of unusual or startling Chinese names being used by foreigners in China include one for a Mr. Campbell whose name was translated on his business card as Mr. K'an Pan (看癍), or "Look at the blotch!" and another for a Mr. Stevens who bore the expressive cognomen, Mr. Shih Fen (虱粉), meaning "Louse Napkin."

I was able to contribute another prize exhibit to this collection a short time later when a man named Johnson handed me his card and suggested that perhaps his Chinese name was not the best that could have been chosen because Chinese often smiled when they read it. In my Chinese-English dictionary I learned that he was being called Mr. Chan Sun (擅猻), not a bad transliteration, to be true, but the characters could only be translated as "dishcloth spurting out of the mouth."

These are not very ordinary characters, and are unheard of as names, so it seems impossible that any Chinese could have furnished such names to the foreigners without malice aforethought. The moral of the story is that foreigners should exercise a measure of prudence in accepting a Chinese name. Usually a young clerk or Chinese printer christens the "griffin" (new arrival) who is having his cards printed in China for the first time, and the man may, in his simple ignorance of the language, spend the next twenty years in China being called "strong-smell cake."

A rose by any other name may smell as sweet, but no Chinese gets a good impression of a man who presents him a business card reading, "Mr. Sick-with-Ulcers Duck." The safest way, of course, is for the foreigner to pore through the 418 or 420 names in the "Hundred Names" and use one of them. With this precaution he cannot go far wrong.

The transliteration of foreign names in literature and the press is wholly unsatisfactory due to the fact there is no standardization throughout the country. Mussolini, Mae West, Sally Rand and Stanley Baldwin each may have entirely different Chinese names in various sections of China and much confusion is the result. The nation's savants recently concluded a conference in Nanking where they decided upon the proper nomenclature for scientific terms, and it occurs to me the Ministry of Education or other Government agency might appoint a permanent board or commission to standardize the transliteration of foreign names into the Chinese language.

Confucious said that the first thing to be done to rectify the state is "to rectify names" on the grounds that "If names be not correct, language is not in accordance with the truth of things. If language be not in accordance with the truth of things, affairs cannot be carried on to success. When affairs cannot be carried on to success, proprieties and music do not flourish, punishments will not be properly awarded. When punishments are not properly awarded, the people do not know how to move hand or foot."

Chinese naturally place great emphasis on the importance of correctly pronouncing their names and I am always embarrassed when being introduced to anyone named Ch'u because, though I have tried for years, I simply cannot pronounce that character correctly.

In pronouncing Ch'u, the German umlauted "U" is only one of the several hazards that must be overcome. The "ch" is pronounced more like "djr" and when it is combined with the aspirate, the sound can best be obtained by saying "rrr" during the act of sneezing, ker *djr'u*. (I wonder what the Chinese compositor is going to do with this involved explanation). In fact, when I reread the foregoing sentence, it does not make sense to me either.

Still, mispronunciation of Ch'u is more pardonable than pronouncing the name Fang like what's in a wolf's mouth, or pronouncing Pan like dishpan. Usage permits variations of pronounciation due to dialectic differences but no onomastic tolerance would ever permit pronunciation of the surname Jen as in the first syllable of Jen-ny.

Foreigners likewise are annoyed when their names are mispronounced or misspelled, as any cub reporter knows. It is a grievous sin—almost as serious as jumping the release date on the President's budget message—to print Sir Hugh Snatchbull-Huggesen instead of Sir Hughe Knatchbull-Huggesen, for example. Some years ago when I was doing considerable by-line writing I started a collection of misspellings of my name which included Leas, Leap, Leiff, Lief, Heev, Meaf, Deaf, Liet, Lear, Leek, Lump, Leef, Leam, Heef, Reap, Reef, Beef, Loop, Peep, Lect, Neaf, Veer, Liop, Feef, Lfea, Lefa, Leie, and Lin Yu-tang's Fortnightly Analects (論語) in its mid-January issue added a new one, Lerf. Every time I see my name misprinted or misspelled I get mad. Chinese are much the same way about their names.

An office boy in the *Shanghai Evening Post and Mercury* presented me with a Chinese name, Li Fu (李夫) when I first came to China. The Li is one of the most common names but no Chinese seemed to take a fancy to the Fu, which is a perfectly good character used, for example, in Tai Fu (大夫), doctor. This clerk, if he had a grudge against me, might just as well have christened me Li Fu (悝腐), which sounds much the same but means Afflicted Rotten.

However, one beautiful summer's day when I was visiting at the house of Li Li-li, a charming movie queen, a whole group of motion picture actresses, radio songbirds, artist models and other lovely ladies ganged up on me and said they did not like my *ming tz*, Fu, and if I didn't change it, may be they wouldn't like me no more either. What's the matter with my name, I asked. They replied it was no good and was like the *fu* in *mafoo* (馬夫), stable coolie. Needless to say, the ladies had their way.

I frequently saw another Fu character (福) on doorfronts, push carts, ricshas, jewelry and embroideries, so I thought that character, meaning hapinesss, would be perfect. I used it for nearly a year until I began to learn something of the language when I discovered that many houseboys and servants employed by my friends and relatives were being called by the same name, Fu, which had been given them by their employers in order to have some luck or happiness in the house. One friend, Bob Ward of the American Consulate in Tientsin, even had a houseboy with exactly the same name, Li Fu (李福).

For the second time I changed my name. This time I called in a galaxy of experts and finally decided upon the *ming tz* used by a neighbor of mine in Tientsin, the late Pan Fu, one-time Premier of China. This Fu means to return, to restore, to reply. Now whenever I present my card to a strange Chinese and he reads Li Fu (李復), I always expect and usually receive very hearty congratulations on the excellence of my Chinese name. Friends roll the sound over and over in their mouths and say, "Ah yes, you have a *very very* good Chinese name."

I cite my experience only to emphasize the fact that Chinese do attach such importance to names, even of foreigners.

Chinese frequently get themselves into difficulties in the transliteration of their names into English also, as a glance through the *Who's Who in China* will illustrate.

In adopting a foreign name, they seem determined to eschew simple designations like John or George and select big double-barrelled appellations like Wellington Koo, Napoleon Wu, Bismarck Hsiang, Wellington Fang, Horatius Chen, Livingston Hu, Morgan Chow, Yorkson Shen, Joshua Bau, Dawson Chao, Diphew T. Chow, Joovin T. Chwang, Jevons Yu, Luther Li, Hollington Tong, Handel Lee, Tyndall Wei, Sheldon Tso, Binnen P. Lu, Bingham Dai, Spears Huang and Sarkon On, all names of actual persons. A few queer ones like Leeping San Yen and Hawkling Yen also appear in the *Who's Who*.

For some reason I have been unable to discover, the names of dead United States Presidents seem to fascinate the young man about to assume a foreign name. Thus we have a Washington Li, Jefferson Lamb, Monroe Huang, Jackson Lin, Harrison S. Shen, Lincoln Chen, Garfield Huang, Franklin Ho and Cleveland Wei. I haven't found a Hoover Hu yet but doubtless one will appear soon. One Chinese is named George V. Fang, but perhaps now he will change it to George VI Fang.

The onomastic system employed by Mrs. Shih Mei-yu (石美玉), "Mrs. Stone Beautiful-jade" in calling herself Mrs. Stone, a direct translation of her Chinese name, does not always produce such happy results. Imagine addressing (蘿介石) as Generalissimo Watercress Great-stone, or calling Mr. Nien Kuei-tang, Mr. Squint-eyed Honorable-hall, or Mr. Tiao Hsin-tien, Mr. Punk Believe-Heaven.

I am sure Mr. T'ang Liang-li would not be happy if one persisted in calling him in English, Mr. Soup Good-ceremony. Mr. Hubert Liang would not be pleased to hear himself addressed as Mr. Ridgepole. Mayor Wu Teh-chen should not be addressed as Mr. Boastful Iron-city or Mr. Hu Shih as Mr. How to Reach.

No, with all due deference to Mrs. Stone, that system would only bear the fruit of further misunderstanding. Of course Chinese do not think of their names in terms of soups, bragging, ridgepoles, marshy plants or squint-eyes any more than foreigners think of whiskers or raw meat when thinking of Mr. Beard or Mr. Butcher.

For many years Mr. Lin Yu-tang has advocated simplification of Chinese names when being used in foreign literature or address. He himself has combined the two characters of his given name and writes Lin Yutang instead of Lin Yu-tang. This system, he believes, will aid foreigners in remembering Chinese names and will make it perfectly clear which is the given and which the family name, but I don't see why. One certainly comes closer to a correct pronunciation of that name when written Yu-tang than Yutang, rhyming with Outang as in Orang Outang.

The best policy for Chinese is to follow the Wade system of romanization in the transliteration of all proper names, including particularly personal names. The Wade System is an arbitrary,

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stupid system that probably has done more to make the Chinese language difficult for foreigners than any other single factor. I have yet to hear one soul defend it on any grounds whatever. Why, for instance, Sir Thomas Francis Wade did not see fit to use the letter "D" instead of "T" for the soft sound as in Tung, (東), East, I do not know, as foreigners naturally would pronounce "T" like "T" and "K" like "K", aspirate or no aspirate . . . . Still, it is the system that has been accepted generally throughout China, more than other and better systems, so that to avoid confusion Chinese should use it. Certainly the Wade System, awful as it is, avoids such names as Kwok Thin-yu, Juwan Usang Ly, Fukyin Lym, Pellian Mar, P. K. Yesinghay and Ong Kek-tjioe, which are found in *Who's Who*.

Chinese who imitate foreign names in the transliteration of their family names always mildly irk me. There is a good reason for adopting a foreign given name which is a genuine aid to foreigners in remembering the rather difficult Chinese names but the Chinese with a perfectly good Chinese family name should retain it.

Doubtless there are many exceptions but it has always seemed to me that a Chinese who wears foreign clothes, drinks foreign whiskey, prefers to talk and write in a foreign language, sends his children to a foreign school and lives in a foreign concession completes the final step in his foreignization when he discards Chin for King, Pao for Barr, Yang or Young or Lin for Lamb, although the Cantonese pronunciation of some of these names closely approximates the English names.

According to this system, we may next expect to hear that Gen. Han Fu-chu is calling himself General H. M. Hughes, Mr. Lin Yu-tang is Mr. Y. T. Flynn, Mr. Hsi is Mr. Sheeney, Mr. Hsu is Mr. Schultz, Mr. Sui is Mr. Sweeney, Mr. Li is Mr. Leeke and Mr. Hei is Mr. Hemingway.

Shanghai-Hongkong Radiophone Service Formally Opened

The radiophone service between Shanghai and Hongkong was formally inaugurated Feb. 1, when Gen. Wu Te-chen, the Mayor, exchanged greetings over the phone with Sir Andrew Caldecott, Governor of Hongkong. In the course of his message, Mayor Wu expressed gratification over the opening of the telephone communication between Shanghai and Hongkong, thus further strengthening the friendly relationship between China and Great Britain. Peng Hsueh-pei, Vice-minister of Communications, and C. J. Chancellor, General Manager for the Far East, *Reuters* Ltd., were also representatives on the Shanghai end who conversed with the Hongkong Governor.

Greetings were also exchanged by Messrs. Feng Yu-chen, and Chow Yeh-sun, heads of the Shanghai and Hongkong Bureau of the *Central News Agency*, respectively, on behalf of press circles of the two cities.

Fascinations of the Lunar New Year

BY T. S. YOUNG

WE have two New Years in every year—one, the Solar New Year, and the other, the Lunar New Year. Officially, the lunar calendar has been long abolished; but unofficially and privately, we are still keeping with us the abolished calendar and celebrating the Lunar New Year. We are ingenious enough to find a new name for the Lunar New Year, and call it Spring Festival. But as a rose with another name will smell just as sweet, so we call the Lunar New Year the Spring Festival, and celebrate it in our old accustomed way with the same spirit and enthusiasm. Incidentally, it is another case to illustrate how futile is the human endeavor in attempting to abolish an age-old custom by a mere stroke of the pen.

For a quarter of a century, our officials have been earnest in their efforts to introduce the solar calendar to the public, but their efforts have not met with much success in combatting an age-old custom. In recent years, even forcible measures have been adopted to popularize the solar calendar by suppressing the printing and sale of the lunar calendars by forbidding the people from greeting each other with "Kung Hsi Fah Zai" on the Lunar New Year's days, and by instructing schools to hold classes during the Lunar New Year period. But lunar calendars can be still procured from the market, the people still exchange their greetings on the Lunar New Year's days, and the students desert their classes and have their own holidays throughout the Lunar New Year period.

It is indeed paradoxical that while we lose no time in imitating every imported Western fashion and custom to modernize ourselves, we should prove very irreconcilable in adopting a calendar which has been observed by nearly all the Western countries. We cut off our long hair, we wear Western-style dresses, we learn to dance, and we celebrate Easter and Christmas; but we are determined to retain our old-fashioned calendar. How can we account for this fact? Conservatism is certainly not an answer to this question; for if we are really conservative, we would reject everything foreign and strange to us. Then why should we incorporate into our daily life many imported Western fashions and customs? It may be said to be another peculiarity of the Chinese people.

No Good Reason for Discarding Old Calendar

Be that as it may, I, however, can not see any good reason why we should discard our old calendar in favor of an imported one. The mere change of our calendar will not in any way change the complexion of our country, elevate its status, or alter it destiny. China will still be the same old China, whether she adopts the lunar calendar or the solar one, just as an old woman will remain an old woman, whether she wears a new dress or an old one. While we have our own culture and philosophy, there is really no reason why we should not have our own calendar. In this particular case, there must be some reason why our people would rather bear the stigma of being called conservative by holding to the old calendar in spite of the Government proclamations and forcible measures.

Personally, I always celebrate the Lunar New Year, and have a great love for its many fascinations. To me, it means much more than an ordinary festival. It gives a fine display of our old traditions and customs, wakes up many happy memories in my mind, and conjures up high expectations in my imagination. Besides, it represents a big occasion, when family reunions are happily held and celebrated, when domestic life is most gay and colorful, when the hearth is ruled with utmost peace and harmony, and when superstitious and religious beliefs find their great expressions in many ways in connection with the festivity. Nay, it is also a time when we can forsake and forget our works, and find time to drink, eat and play to our heart's content.

The Season for Feasting

We love to eat, and must spare no money and effort to feed ourselves during the New Year Season. Housewives of every family make a great show of their culinary art in preparing choice dishes for the feasts, and making flavored cakes, dumplings and candies of various descriptions. We must have a sumptuous dinner on the New Year's Eve, that we may not feel regret at being counted one year older. And we must have plenty to eat throughout the happy season, that it may always remain a happy memory to us. The rich people invite their relatives and friends to partake of their daily feasts, while the poor ones save up some money in advance, so that they can also celebrate the occasion in some small ways. During these days, every person becomes voracious, and eats more than his stomach can hold. The New Year can not be considered as a happy one, if our stomaches are not filled up to the fullest extent.

Sacrifices to Ancestors

When we thus indulge in eating, we, however, do not forget our ancestors and deities. Before we enjoy our feast on New Year's Eve, we must first spread the choicest dishes on a table and offer sacrifice to our ancestors with the burning of candles, incense sticks and plenty of joss-money. Throughout the New Year days from the first day of the first moon to the eighteenth day, we offer daily sacrifices to our ancestors piously and respectfully. In some families, a scroll bearing the names of their ancestors of the past three generations is hung up on a wall before a table covered with dishes of edibles. In many others, the walls of a big hall are fully covered with scrolls bearing the painted pictures of their ancestors, all clad in costumes of the late dynasty. One can not but feel awe-stricken when visiting a hall covered with such scrolls.

Paying Homage to the Deities

We are equally pious in paying our homage to deities. On the 23rd or 24th day of the 12th moon, we have to give a hearty send-off to the Kitchen God. A Kitchen God is said to be a resident God sent from Heaven to every hearth, who keeps a record of the good and bad deeds committed by every family member, and makes a detailed report to Heaven at the end of his tenure, which is one year. As he is a sort of representative of Heaven, we must be polite to him and try to curry his favor. Thus on the day of his departure from us, we must offer sacrifice to him by burning plenty of joss-money. Besides, we also burn a paper sedan-chair to give him a means of conveyance. In recent years, many of us have burnt a paper airplane instead, but it is not known whether a paper airplane can better serve his purpose than a paper sedan-chair. After he is gone, we have to clean the kitchen to make it habitable for the new Kitchen God, whom we welcome on the New Year's Eve, at midnight. But this time, we only burn candles, incense sticks and joss-money, but no paper sedan-chair, for we presume that he can come to us by his means of conveyance.

Picking the Auspicious Day

Meantime, we consult the calendar to pick up an auspicious day from the 25th to the 28th day of the 12th moon to offer our thanks to Heaven. This is a very important occasion. Our pious people must first have a hair-cut and take a bath to clean themselves from he to foot, before they can consider themselves fit to supervise the thanksgiving ceremony. All the male members of a family have to be present, and kowtow before a scroll bearing some mystic figures. As usual, candles, incense-sticks and joss-money are to be burnt in profusion. Then on the fifth day of the first moon, an even more elaborate ceremony is to be given to welcome the God of Fortune. It is generally said and believed that if we can be favored with a smile from the God of Fortune we can certainly win the first prize of the lottery tickets. As we are all great lovers of money, so we have reason to be more pious in offering sacrifices to welcome the God of Fortune. Since we are disposed to "pat the buttock" of a great man, we, therefore, must "pat the buttock" of the God of Fortune once every year.

Thus from the fifteenth day of the 12th moon to the fifteenth day of the first moon, every family is seething with activities, partly for seeking self-enjoyment and self-entertainment, and partly for displaying superstitous and religious beliefs. We worship various deities, and we also offer sacrifices to our ancestors. We entertain our relatives and friends and in turn we are entertained by them. We play mah-jong, and we also throw dice and play many other games. We give tips to our servants to let them have money to gamble with, and we also give our children pocket-money with which to see the puppet shows and monkey shows put up at street-corners during these days. We have delicacies to eat, and time to play with. These are the attractions and appeals of the Lunar New Year, and only the Lunar New Year can offer these attractions and appeals. Our religious and superstitious beliefs may appear ridiculous, but they make our New Year celebration all the more colorful and fascinating.

We, of course, can celebrate the Solar New Year in the same ways as we do the Lunar New Year, but for some reason or other, we can not agree to this change. We can not countenance any suggestion that we should enjoy our feast on the New Year's Eve under a bright full moon. It simply does not seem appropriate to us that the moon should appear on New Year's Eve. There is a saying among our defaulters that "Do not bother yourself about collections until the moon appears on the New Year's Eve." Aside from its religious significance, the New Year represents always the happiest time of the year. Come what may, we will always celebrate the New Year in the same old way in accordance with the Lunar Calendar, for we can not afford to forego the happiest time of the year. Even one hundred years from now, our children's children will still celebrate the Lunar New Year, be it called Spring Festival or whatever the name may be.

Hitler Denounces War Guilt Clauses in Versailles Treaty

Nationalization of the Reichsbank and the country's railways as an act of emancipation from the Peace Treaty and Germany's denunciation of the war guilt clauses in that treaty were announced by Herr Adolf Hitler in Berlin Jan. 30 in his eagerly-awaited speech on the occasion of the fourth anniversary of the Nazi's accession to power. "I solemnly withdraw," the Fuehrer stated amidst roars of applause, "the German signature from that declaration in the Peace Treaty which states that Germany is responsible for the war. The time for so-called surprises has thus ended. The restoration of the honor of the German people, as expressed by conscription, creation of an air force and a new navy, and the occupation of the Rhineland, was the most audacious work of my life. I meekly thank Providence for thus reconquering the nation's honor and integrity."

An assurance that Great Britain would give a warm response if Herr Hitler offered a contribution towards a general European settlement was made by the Chancellor of the Exchequer, Neville Chamberlain, in a speech at Birmingham Jan. 29.

The Reichsfuehrer's speech, which lasted two hours, followed the extension of his authority to rule, granted for four years in March 1933, for a further four years by a highly enthusiastic Reichstag. The proposal to extend Herr Hitler's powers was made by Dr. Wilhelm Frick.

German Cruiser "Emden" Visits Nanking and Shanghai

Although the visit of the German cruiser *Emden* to Japan a fortnight ago was doubtless intended to cement the recently formed Japan-German Alliance, the German Government has shown no favoritism and has also sent this namesake of an illustrious war-time cruiser to China. The *Emden*, which is a training cruiser, arrived at Hsiakwan (port for Nanking) on the morning of Jan. 28. The officers and crew were enthusiastically greeted by Chinese and German officials. Representing Admiral Rader, Commander-in-Chief of the German Navy, Capt. Walther Lohmann, commandant of the *Emden*, welcomed a group of newspapermen who were invited to inspect the cruiser shortly after its arrival. Capt. Lohmann expressed gratification for the chance to visit China and hoped to bring back the good impressions to Berlin.

The Nanking Rotary Club entertained the officers of the *Emden* at a luncheon at noon in the International Club, but Dr. Oscar Trautmann, the German Ambassador and Capt. Lohmann were absent owing to other engagements. Dr. Trautmann gave a dinner in the evening in honor of Capt. Lohmann and other officers on board the cruiser. The cruiser was opened for public inspection during the forenoon.

The officers of the *Emden* crew, the following day, visited the Purple Hills, where they will paid their respects to the late Dr. Sun Yat-sen. They also attended a tiffin at the German Advisers' mess at Fu Kwei Shan given by Admiral Chen Shao-kuan, Minister of Navy. In the afternoon another reception was given by Dr. Trautmann to enable the high officers to meet various Chinese civil and military leaders as well as members of the diplomatic corps. The day's social functions were wound up by a dinner given by the German community at the International Club.

The *Emden* arrived in Shanghai Feb. 2 from Nanking mooring at bouys 3 and 4 off the Shanghai and Hongkew Company's Hongkew Wharf. An informal tiffin was given for the captain and officers at the German Consulate-General by Consul-General H. von Kriebel. A huge reception was given by local Germans at the Race Club at 7.30 p.m. Part of the crew attended a function at the German School given by the German youth organization at 3 p.m. The following day half the crew made a trip to Soochow.

The *Emden* is scheduled to leave Shanghai Feb. 8 on the return trip to Germany.

Hitler Forbids Acceptance of Nobel Prizes

Herr Adolf Hitler Jan. 30 issued a decree forbidding Germans to accept Nobel prizes.

"In order to prevent, in future all shameful occurrences," the Fuehrer declared. "I decree the foundation of a German national prize for art and science.." The prize will be worth about £8,000 and will be distributed every year to three meritorious Germans. The acceptance of Nobel prizes is, therefore, forbidden in future.

Spirit of Conciliation and Coordination Praised by Wellington Koo

Interviewed by a representative of the *Central News Agency* in Geneva, Jan. 31, Dr. Wellington Koo, Chinese Ambassador to Paris, who presided over the 96th League Council meeting, said the spirit of conciliation and co-ordination displayed especially by the representatives of the major Powers throughout the sittings augurs well for the future peace and security of Europe.

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Twelve U.S. Naval Seaplanes Fly from San Diego to Honolulu in 21 Hrs. 53 Min.

The greatest non-stop overseas formation flight in history was carried out by 12 United States naval seaplanes last week. The planes arrived at Honolulu at 2.21 a.m. Jan. 29 Greenwich Mean Time, making the trip from San Diego in 21 hours and 53 minutes. The distance is 2,553 miles.

Construction of new seaplane bases at both Midway and Wake Islands, trans-Pacific aviation "stepping stones," has been recommended to the U.S. War Department. The estimated cost of the base at Wake Island is U.S. $1,000,000, compared with U.S. $500,000 for that at Midway Island.

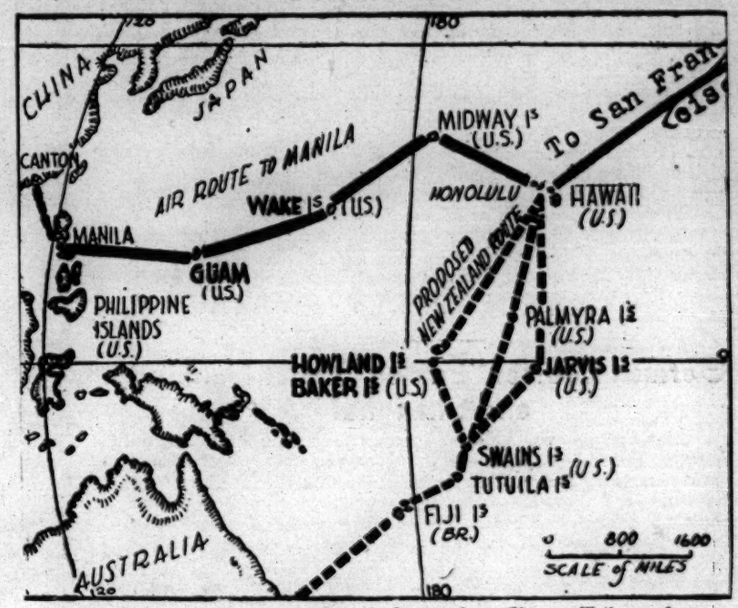
A Washington dispatch in the *Chicago Tribune* Jan. 3 said the expiration of the Washington arms treaty of 1921, under which the United States, Japan, Great Britain, and other signatories refrained from increasing fortifications on their possessions in the Pacific ocean, gives added significance to recent movements that have been proceeding for the ownership of small Pacific islands. Notable among those are Baker, Howland, and Jarvis Islands, three tiny dots lying virtually on the equator about 1,500 miles southwest of the Hawaiian Islands.

The United States long has claimed possession of the Baker, Howland, and Jarvis group, but except for their working by the American Guano company they never had been occupied until their transfer to the jurisdiction of the interior department by executive order last May. Since then the bureau of territories and island possessions has begun colonization of the islands with native Hawaiians. They are paid $3 a day for their subsistence and labors—exterminating rats and conducting meterological experiments under the supervision of the weather bureau.

Two reasons are advanced for the activity of the United States in asserting its determination to retain the three small islands. First, they constitute a link in the chain of defense from the Aleutian Islands off Alaska in the far north, down via Hawaii to the American Samoan group. Farther west from these islands and Hawaii lie Midway, Wake, and Guam Islands, which are used on the Pan-American air route to the Philippines. With all these islands, and with Honolulu as a base, the United States has a fan-shaped defense formation in the Pacific.

The second reason why the United States wishes to retain its hold on the Baker-Howland-Jarvis group is the projected Pan-American air route to Australia. While those islands are small, about one mile long by three-fourths of a mile wide, they are well suited for air bases. Jarvis lies on a direct line to the Samoans and to New Zealand.

U. S. PROTECTS SOUTH PACIFIC AIR-LINES



The above map reproduced from the *Chicago Tribune* shows Baker, Howland, and Jarvis islands, which are being colonized by the United States to complete a chain of defense and possible plane route to Australia and New Zealand. The solid line shows the Pan-American air route to the orient.

U. S. Soldiers, Sailors and Marines in War Games at San Diego

During the first three weeks of February, 25,000 U.S. soldiers, sailors and marines are engaging in war games in the San Diego area. Also taking part in the maneuvers with the sailors for the first time in many years are 130 officers and men from the marine base at Quantico, Va., with 56 airplanes. The main idea of the games is that the "invading" force in the maneuvers will attempt to "capture" San Clemente Island and thereafter attack the coast from Ventura to San Pedro.

U. S. Naval officials are now preparing Fleet Problem Eighteen which is due to begin on April 19 and which will be the most elaborate maneuver of the year, extending from San Diego to Alaska and to Hawaii.

Huge U. S. Naval Base in Alaska Envisaged by Bill Introduced in House

Anthony Diamond, Delegate from Alaska, Jan. 29 introduced in the House of Representatives a bill providing for the fortification of the Aleutian Island and the establishment of a naval base in Alaska. The measures authorizes an appropriation not exceeding $100,000,000 for the construction, immediate survey and selection of a site for the proposed base and an airdrome, inclusive of bomb-proof protection for buildings, landing fields, harbor improvements, docks, dry-docks, ammunition storage, fuel oil storage facilities, communications and lighting system.

Six Thousand President's Birthday Balls Given on Occasion of Roosevelt's Birthday

Throughout the American nation on the night of Jan. 30 6,000 "President's Brithday Balls" were held to raise funds for the Warm Springs Foundation to aid sufferers from infantile paralysis in celebration of the President Roosevelt's fifty-fifth birthday.

Curtailment of Government Industry Sought by U.S. Chamber of Commerce

The U.S. Chamber of Commerce committee Jan. 30 recommended a program to curtail the Government's expanding field of competition with private industry.

U.S. Export-Import Bank to Extend 9-Month Credits to Assist Cotton Exports to Italy

Preparations are being made by the Export-Import Bank in Washington, to extend credits of nine months to Italy to assist in United States cotton exports to Italy. Normally credit is extended for periods of only sixty to ninety days.

America Will Probably Not Join London Sugar Conference

Sugar authorities in Congress Jan. 28 expressed the opinion that the United States was unlikely to enter the sugar conference called by the League of Nations at London. Western beet-sugar growers feel that an international agreement would not help United States continental and territorial sugar producers.

U.S. Foreign Trade Increases, but Favorable Balance Low

America's favorable balance of trade for the year 1936 was the lowest since 1893, the U. S. Department of Commence reported Jan. 29. The figure was $34,258,000. Exports, $2,453,-487,000, an increase of $170,613,000 over the exports for 1935; imports, $2,419,229,000, an increase of $371,744,000 over the volume of the previous year.

Free Port Inaugurated for New York on Staten Island

A free port in the City of New York, situated on Staten Island and extending over a surface area of 30 acres, was inaugurated Feb. 1. The facilities include six docks reserved for foreign ships which can unload their cargoes without paying duties and where goods can be stored.

Stinson Planes Now Used on Shanghai-Peiping Run

The Monday flights on the Shanghai-Peiping airmail service of the China National Aviation Corporation will hereafter be maintained by Stinson planes instead of Douglas planes.

Southwestern Aviation Corporation to Be Expanded

The Southwestern Civil Aviation Corporation will be reorganized with the participation of four other provinces in the South, namely, Fukien, Kweichow, Yunnan and Szechwan, according to information from Canton communications circles.

U.S. Shipping Strike Ends—Dollar Boats Sail

The U.S. shipping strike came to an end this week. The Dollar Line boat *Pres. Hayes* was due to sail from Honolulu for the Far East Feb. 5, the *Pres. Hoover* from San Francisco Feb. 6, the latter being due in Shanghai Feb. 22.

An agreement signed in N. Y. Feb. 2 provides for an increase of $10 per month for seamen on the east coast and the Gulf.

China Remits $100,000 for U.S. Flood Sufferers—More to Follow

Plans were formulated Jan. 31 at a tea party at the residence of Dr. H. H. Kung, Minister of Finance, to raise funds for the relief of American flood refugees in the Mississippi Valley. Among those who attended Dr. Kung's tea party were Dr. C. T. Wang, Chinese Ambassador to the United States of America, Tu Yueh-sen, a leading industrialist, and T. K. Tse, Vice Minister of Railways. In response to the wish of a section of the Chinese public that the Chinese people should show sympathy with the American people over their appalling flood disaster both in words and deeds, Dr. Kung in his capacity as President of the United Charitable Association of China, invited a number of his friends to his home for an exchange of views. While the discussion was proceeding, he received a telegram from Generalissimo Chiang Kai-shek voicing the same desires.

In the capacity of President of the United Charitable Association of Shanghai, Dr. H. H. Kung, Vice-president of the Executive Yuan and Minister of Finance, Feb. 2 dispatched a wire of sympathy to the flood sufferers in the United States on behalf of the Chinese people. The wire, together with a remittance of $100,000, was addressed to Admiral Cary T. Grayson, Chairman of the American Red Cross, which also mentioned that $100,000 worth of Chinese products useful to the flood victims would be sent shortly.

National Child Welfare Association Spent $93,000 in 1936

A 21-point program, including the relief of destitute children in the country and promotion of health for expectant mothers, was decided upon Jan. 30 and Dr. H. H. Kung, Minister of Finance, re-elected as President of the National Child Welfare Association of China at the 8th annual general meeting of the Association. The meeting was held in the Sun Yat-sen Memorial Hall in the National Committee Y.M.C.A. Building in Shanghai.

Jabin Hsu, general secretary of the Association, reported on the activities of the Association during the past year.

Dr. Kung briefly reviewed the work done by the Association during the past year, as was also reported by Mr. Hsu. One of the important things done was the recent establishment of the Child Welfare Demonstration Centre in Nanking. Dr. Kung hoped that friends of the organization would enlarge the scope of this social work. Concluding, he emphasized that child welfare work is not merely philanthropic work but should also be considered as part of the national salvation and racial rejuvenation programs. Good childhood meant a strong race, he said.

The Association spent more than $93,000 last year in its work.

British Ships of China Station Hold Maneuvers at Singapore

British ships of the China station, army units in the Singapore area, and Royal Air Force squadrons of the Far East Command, supplemented by certain squadrons from India and Iraq, took part in combined operations which began Jan. 31 and extended over four days.

The maneuvers were entended to give an opportunity for studying problems affecting each arm in relation to the defence of Singapore.

Japanese Radio Station in Conflict with Ministry of Communications

The Japanese-owned radio station, XQHA, which reported "persitent interference" from an unnamed station during the past several days, has no authority to use its present call signal and no authority to broadcast on its present wave length, according to Orlando Pao, Director of the Shanghai Telegraph Office. Station XQHA, he said, was taken over by its present Japanese owners from an American firm without the prior consent of the Ministry of Communications.

Workers of S.M.C. Allegedly Threaten to Destroy Nanking Road

The *Lih Pao* Feb. 2 stated that the strike of S.M.C. road workers is developing into a serious matter, as the workers are insisting on resumption of work.

According to the strikers, they are a total of 1,200 workers engaged in the building and repairing of roads in the International Settlement. They receive a wage of 65 cents per day and have had to spend several scores of dollars each to obtain their jobs. The workers threatened: "We will destroy Nanking Road if the authorities do not allow us to go back to work. This is no strike. We are not allowed to work."

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British Aid to Germany

The following is a translation of a dispatch sent from London by telephone, appearing in Moscow *Pravda* Dec. 30:

In connection with recent events it is of interest to throw light upon the activity of certain business circles in London which are in favor of business relations with German Fascists. During the last few days interesting details have transpired with regard to the practical help rendered by these circles to the cause of Fascist armament. On Dec. 23 we learned about the formation of two "Compensation Brokers' Associations" in the City of London. Their purpose, according to *The Observer's* information, is "to enable Germany to receive raw materials." But in view of the fact that Mr. Schacht is not in a position to offer any cash, which is very scarce in the German treasury, and as Germany's reliability is not very high, it is an open secret that the real purpose of these companies is to finance German purchases. Germany is going to pay with machines suitable to equip the British munitions industry, which is short of them because of the tremendous government military orders.

The Compensation Associations will help Germany in the matter of facilitating the task of purchasing raw materials not only in London but in the British dominions and colonies as well. Moreover, should Germany be willing to buy some raw materials in other countries, her London agents would be able to arrange it for her. In other words, the "Compensation Brokers Limited" (this is the name of one of the companies) represents the centre of financial aid to Fascist armament. Under the title "brokers" are hidden two well known London banking houses. One of them is the J. Henry Schroeder & Co. Banking House, the other is "Ambrose (?) Bank." Both are well connected with the banks on the Continent. In the Board of Directors of the new companies Lord Glenconner represents the Ambrose Bank, while the Banking House of J. Henry Schroeder & Co. is represented by Peter Diercks. Besides these two on the Board of Directors is also Julian I. Piggott, the manager of British Steel Export Association. [redacted] houses have their representatives on the Board of Directors of the "English" Bank (Bank of England?) and are closely connected with the leading lines of German heavy industry. The Banking House of J. Henry Schroeder & Co. is in good relations with the German banker Baron Bruno von Schroeder, one of Hitler's best friends.

But this is not all. The above mentioned persons all take part in an important organization in London bearing the innocent title of "Anglo-German Association." Through this association Fascist agents develop their activities in the City and business circles outside of it. The President of this Association is the same Lord Glenconner, President of the Mossul Oil Company, the Palestine Potash Company and various chemical, steel, commercial and navigation trusts. In other words, he is one of England's financial kings.

A relative of Lord Glenconner, E. Tennent, (Tennent is the family name of Lord Glenconner), an important financier, is also a member of the Anglo-German Association and simultaneously a member of the Board of Directors of the "Compensation Brokers" companies.

The above mentioned Peter Diercks, the manager of Schroeder's Banking House, is on the Board of Directors of the Bank of England, the Anglo-Persian Oil Company and the Anglo-German Association.

Julian Piggott, who is known as the general manager of these "Compensation Companies" is a still more remarkable figure. Born in Japan, in 1920-1925 he was a delegate of the inter-allied Rhineland commission in Cologne. In 1934 he accompanied Lord Barnby (also a member of Anglo-German Association) heading the delegation of British Industrialists' Union in Manchuria and Japan. Julian Piggot is connected with Japano-German anti-Soviet circles. This group has full control over the chemical products, iron and steel trade and, at the same time heads the Anglo-German Association. It is a curious fact that the same groups used to finance German industry formerly, inventing all sorts of subterfuges for this purpose. For instance, in course of the year, German ship-building factories received considerable orders from British firms. The dimensions of these orders may be judged by the fact that during 1936 only a few tens of ships, intended for British navigation companies, (whose common tonnage reaches the figure of 100,000 tons), were launched in German wharves. The activities of these financiers have already influenced the London market. Stock exchange reporters in many papers give news of the arrival in London of many German trade-agents, who placed orders for rubber, wheat and various metals. Naturally, the London stock exchange is again experiencing a boom.

Sir Henry Deterding also responded, assigning £1,100,000 for purchasing provisions for Fascist-Germany.

A *Tass* message from London, Dec. 29, stated that the *Financial News* severely criticicized the scheme of barter between the British colonies and Germany. *Financial News* stated that the scheme of barter with Germany is nothing else "than a new attempt to offer indirect credit to Gremany." The paper added that the initiators of the scheme are closely connected with the financing of the trade with Germany and sympathize with the Fascist regime. But this new scheme was received without enthusiasm in the City (London's business quarter). *Financial News* commented that it is much to be regreted that the scheme of barter with Germany was approved by the British Government, as it signifies aid to Germany in the matter of strengthening her armament as well as assistance in reinforcing her trade opportunities in British domininions. "It is difficult to understand," the paper continued "why the British Government approved this scheme. Two years ago the British Government sanctioned the sale of aviation motors (Rolls-Royce) in Germany and now recognizes it as a mistake. After two years have passed the officials concerned may realize that the barter scheme is a still worse mistake. In conclusion the paper stated that this economic co-operation "will enable Germany to prepare for a physical aggression."

Julian Piggott, manager of the "British Steel Export Association" is one of the initiators of the barter arrangement between Britain and Germany. He is in close connection with influential circles in Japan and Germany. Mr. Piggott visited Japan in 1934 as a member of the delegation of British Industrialists' Union, which recommended British recognition of Manchukuo.

Shanghai "Nippo" Sees British Efforts to Extend Influence

Great Britain's plans to extend her economic influence over the entire face of China were disclosed by an editorial writer in the *Shanghai Nippo*, Feb. 11.

The journal expressed especial concern over the reported British plans to invade the North China market, where "Japan has made considerable progress," and where the Chinese "are seeking Japanese investments and technical assistance." "Great Britain's influence," the *Nippo* said, appears to be spreading northward to Peiping, with Hongkong as its base. The first field of activity will be Kwangtung, Hunan and Hupeh, which the British will dominate through the use of the Hankow-Canton railway. Next will come the turn of Honan, Shansi and Hopei, with Hankow as the base. An expert who has recently toured the Yangtsze valley reports that the British influence is still paramount there. The Yangtsze and the Hankow-Canton Railways thus become arms of British influence in this country."

Movements and Appointments in Diplomatic and Official Circles

Gen. Chien Ta-chun, Chief Aide-de-Camp to Generalissimo Chiang Kai-shek, after recuperating in Soochow from his wounds sustained during the outbreak of the Sian mutiny, returned to Nanking Jan. 28.

Teng Yen-hua was appointed Acting Magistrate of Namhoi District at a meeting of the Kwangtung Provincial Government Committee Jan. 26.

Dr. Tsou Ping-wen, Deputy Director of the Farm Credit Bureau, has been appointed by the Ministry of Industry as Chinese special expert to the Permanent Agricultural Affairs Committee of the International Labor Office at Geneva.

A dinner in honor of Dr. Oscar Trautmann, the German Ambassador, was given at Nanking, Jan. 27, by Dr. H. H. Kung, Minister of Finance.

Nelson T. Johnson, the American Ambassador, accompanied by Willys R. Peck, Counsellor of Embassy, called on General Chang Chun, Minister of Foreign Affairs in Nanking Jan. 26. In the course of the interview, the Ambassador thanked General Chang for the assistance rendered by the Ministry in the evacuation of the American nationals and missionaries from Sian.

With the resignation of Liu Shou-peng, the Hupeh Provincial Government has announced the appointment of Wu Ting-yang, Provincial Commissioner of Reconstruction for Hupeh, as concurrently Chairman of the Hupeh Provincial Rural Cooperative Committee.

First Chinese Woman in Diplomatic Service Abroad Sails for London

The first Chinese woman to participate in diplomatic service abroad, Miss Anna A. L. Huang, a staff member of the Ministry of Foreign Affairs, sailed from Shanghai for England Jan. 30 to take up her new post as Third Secretary to the Chinese Embassy in London. Miss Huang is a graduate of Yenching University, Peiping, and a younger sister of the well known Chinese poet and caligrapher, Huang Chun, a senior secretary of the Executive Yuan. She joined the Waichiaopu two years ago and her efficient service with the Ministry soon gained the confidence of her superiors in her ability in diplomatic work abroad although such a post is given to a woman for the first time in the history of Chinese diplomatic service. Well versed in both Chinese and English, Miss Huang also speaks French and German fluently.

Fukien Should Imitate Formosa, Dr. Takahashi Says

BY THE REVIEW'S FOOCHOW CORRESPONDENT

Much significance is attached to the visit of Dr. Takahashi to Foochow. Dr. Takahashi, as we know, is a Japanese economic expert. In the auditorium of the Science Institute, Foochow, he delivered a lengthy speech; Chairman Chen Yi, high officials of government organs, industrialists, economists, bankers, etc., were present. He points out the defects of the Chinese economic structure; he criticises the economic plan as drafted by Wu Ting-chang, Minister of Industry; he sees the inadvisability of China's modelling her economic reforms after the examples set by European or American countries; he discourages China to utilize foreign capital or technique which, in his opinion, is neither available nor applicable. As for development of Fukien economic resources, he says, Formosa offers a good example for Fukien to follow.

Verily, China should rely on herself in economic developments, but she should welcome foreign capital or technique, if any. We doubt why Dr. Takahashi should say that it is not advisable for China to utilize foreign capital or technique.

Perhaps, the part of his speech, which is both interesting and instructive, is his mention of technical collaboration among small manufacturers. "With the advent of electricity, small enterprises can thrive. In accordance with the principle of Division of Labor, Japanese small manufacturers cooperate to turn out finished products much cheaper than European or American makes, the cost of producing being smaller."

Iron Bridge Projected Over Oolong River

With the completion of the highway connecting Foochow and Chuanchow (South Fukien), communication is facilitated. The Bureau of Reconstruction plans to build an iron bridge over the Oolong River in Hiehtow, the outskirts of Foochow. The expenses for erection amount to four hundred thousand dollars. The bridge will be built as soon as the project is approved by the provincial government.

"The Sole Enemy of China is Japan"

In the *Kung Sheung Daily News* (Jan. 20), an important Hongkong newspaper, there appears an editorial advocating a strong policy toward Japan. The editorial sees the impossibility of readjusting Sino-Japanese relations, predicts the certainty of an Sino Japanese armed clash, and questions what is the limit to endurance of aggression and when the zero hour comes. It appreciates Wang Ching-wei's saying that to guard against our aggressor, we should shed an enormous quantity of blood, but goes on to ask, When shall we shed our blood?

"In the words of Wang Ching-wei, we should not have two governments, the National Government on one hand and the so-called Soviet government on the other, nor should we have two rival forces, the National Defense Forces on one hand and the so-called red armies on the other. True, we should have only one government but this government should not yield to foreign threat or pressure. Also, we should have but one national defense force but we should not permit the maneuvering of foreign armies in our territory and the flying of foreign airplanes over our soil. Japan is the sole enemy of China. The nationwide anti-Japanese sentiments run so high that they can in no wise be suppressed. Those who are not for the anti-Japanese policy are against the entire Chinese nation; they inevitably will meet ultimate failure. The reason why the people show whole-hearted support to their leader is that they look up to him as a leader of anti-Japanese forces . . . We identify ourselves with the San Min Chu I for we believe that the San Min Chu I is directed against Japanese aggression. We request Chiang Kai-shek and Wang Ching-wei to jointly bear the national responsibilities for we trust that they will lead us in the anti-Japanese campaign."

Coppers, Fish-nets, etc., Smuggled Out of Fukien

Certain nationals in the coastal regions of Fukien have smuggled away a huge quantity of coppers, old fish-nets, waste iron, etc. This partly explains why the value of coppers in Foochow has soared.

January 27, 1937.

Catholic Charitable Work Is Reviewed in "Annuaire" Published by Jesuits

The Jesuit Fathers of Shanghai have just published the 1937 "Annuaire," reviewing the charitable activities of Catholic Missions on behalf of the bereaved and suffering poor in China. Orphanages, which increased by 13 during the year, have reached a total of 415 and provide for the care and education of 3,087 boys and 24,781 girls. The number of orphans increased by 1,644 during the year. A total of 40,625 homeless infants were received during the year by the Catholic Sisters. There are 236 hospitals and old people's homes, three more than the year before. They accommodated 90,452 hospital patient sand 6,331 aged persons. Both figures represent increases. Nine missions are doing work on behalf of lepers. The largest leprosarium is that operated by the Paris Foreign Mission Vicariate of Canton in Sheklung, where some 580 of these unfortunates find a home.

PAINTS AND PAINT WORK

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In the United States Court for China

AGNIA JOULINA RIVERA Plaintiff, vs. JOSEPH FRANK RIVERA Defendant.	Cause No. 4162 Civil No. 2041 ORDER Filed at Shanghai, China, January 19, 1937. William T. Collins, Clerk L. T. Kenake, Asst. clerk.

The object of this suit is an action for divorce

WHEREAS, plaintiff herein, by her attorneys, has this 18th day of January, 1937, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 19th day of January, 1937, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 18th day of January, 1937, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since the last two years, and that defendant's last known address was care Navy Department, Washington, D. C.

NOW, THEREFORE, it is this 19th day of January, 1937, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 6th day of February, 1937, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 19th day of January, 1937.

MILTON J. HELMICK

Judge.

Japanese to Build Million Dollar Cigarette Factory

The Japanese Eastern Asia Tobacco Company has purchased a large piece of land at Chinwangtao for the purpose of building a cigarette factory. Capitalized at $1,000,000, the factory will attempt to monopolize the cigarette market in North China, the *Shun Pao* of Jan. 30 stated.

Japanese in North Less Aggressive, Says W. Lewisohn

Writing from Peiping Jan. 24, W. Lewisohn, special correspondent for the *North China Daily News* said: "The Japanese have been markedly less in evidence in the north during recent months. There has been a complete cessation of the former acts of aggression and of the complaints and threatening demands that so often preceded further advances. Indeed, it almost looks as if the Central Government were beginning to pluck up courage once more to assert its direct authority over the various administrations of North China."

Young Japanese Militarists Active in North China

Colonel Tashimuto, leader of the Young Men's League of the Japanese Army, arrived in Tientsin Jan. 29. Preparations are now being made for the opening of a branch of the Young Men's League of the Japanese Army in North China.

Japanese Troops in North China to Be Transferred in March

The Japanese Garrison troops in North China are due for another transfer in March, according to Major Imai, Japanese assistant military attache in a press interview at Peiping, Jan. 29.

Japanese Troops Stage Maneuvers West of Tientsin

More than 400 infantry and cavalry troops of the Japanese Garrison Headquarters in North China staged maneuvers at Hohsien, west of Tientsin Jan. 30. The sham battle continued until Feb. 2.

North Chahar Placed Under Direct Control of Kwantung Army

The *Hwa Mei Wan Pao* says Prince Teh and "Manchukuo" have concluded an alliance. All the Mongolian troops commanded by Prince Teh will henceforth receive military instructions from and be directed by the Japanese Kwantung Army in Manchuria. The change of the administrative areas in North Chahar by the bogus regime established there, is seen as an indication that the Manchukuo government intends to annex North Chahar.

Japanese to Build Airdrome at Fengtai

In addition to the proposed construction of additional barracks, the Japanese troops in Fengtai are planning to purchase 50,000 mow of land in the vicinity for the purpose of building an airdrome. An offer of from $100 to $200 for each mow is said to have been made by the Japanese authorities. *Central News* says that upon learning of this report farmers in these districts immediately petitioned the Chinese authorities to persuade the Japanese military to drop the plan.

Japanese Military Planes Continue Unauthorized Landings

Despite repeated official protests in the past month, two Japanese military airplanes made unauthorized landings at Tsingtao, Jan. 30. One of the airplanes, No. 502, landed at the Tsangkow airdrome from Dairen and took off again with a Japanese as passenger.

2,698,325 Piculs of Sugar Smuggled Into China from Dairen Last Year

A total of 2,698,325 piculs of Japanese sugar was smuggled into China from Dairen in 1936, representing an increase by 15 times when compared with the figure for 1935. At present, there are 50,000 bags of sugar in Dairen ready to be smuggled to Tientsin, according to the *Sin Wen Pao*.

Customs Cruiser Allegedly Fires on Japanese Ship

The *Kokutsu News Agency* reported Feb. 1 an alleged attack by a Chinese Customs cruiser upon a 5-ton Japanese ship off Tsingtao on the night of Jan. 29. Seiichi Hamazaki, a member of the ship's crew, the news agency asserted, was wounded in the leg by a "dum-dum" bullet fired from the pursuing vessel.

The ship, a fishing trawler belonging to the Tsingtao Marine Product Guild, was allegedly fired upon as it passed off Hsiao Kung Island on its way to Tsingtao from Dairen.

Customs Officers in North Face Further Difficulties

Customs preventive officers in North China are reported to be severely handicapped in the execution of their anti-smuggling duties as a result of the activities of Korean and Japanese ronin. It is stated that whenever the contrabands are seized the smugglers with the aid of ronin, use force to get back their goods. Measures to cope with this situation are now being studied by the customs authorities, a *Central News* message from Tientsin Jan. 30 stated.

Spies Executed at Paoshan

Having been found guilty of conducting secret activities for the enemy in the interior, Wang Sze, one of the spies arrested in Paoshan last year, was executed Jan. 30. The other spy, Chen Shen-yao, was sentenced to 13 years' imprisonment.

Japanese Emperor's Aide Arrives in Tientsin

Lieut.-Col. Mitsuzo Goto, Aide-de-camp to the Japanese Emperor, arrived in Tientsin Feb. 1 to convey the Throne's gifts and sympathy to the sick and wounded officers and men of the Japanese Garrison in North China. He will start on his return to Japan Feb. 15.

Commander of Japanese Destroyer Flotilla Installed at Tsingtao

Rear-Admiral Masasuke Shimomura was installed as Commander of the Tenth Destroyer Flotilla aboard his flagship light cruiser *Tenryu* at Tsingtao Feb. 1. The officer made a round of courtesy calls on Japanese and Chinese naval, military and consular officials following his installation.

Additional Through Trains Between Peiping and Mukden

Beginning Feb. 2 additional through trains are being operated between Peiping and Shenyang (Mukden) by the Peiping-Liaoning Railway Administration, in accordance with measures agreed upon between the Peiping-Liaoning Railway and the Japanese South Manchurian Railway authorities.

Two Chinese Allegedly Buried Alive by Japanese Military Authorities

For unintentionally trespassing on a Japanese military aerodrome, two Chinese peasants were recently buried alive by the Japanese military authorities in Jehol, according to a report received in Nanking Jan. 30 by *Kuo Min*. The two Chinese were walking at Chuantouyingtzu, about 3 miles south of Chengte, provincial capital of Jehol, when they unintentionally crossed a Japanese military aerodrome. They were immediately arrested by Japanese soldiers who forced the two men to dig their own graves, and then buried them alive.

New English-Language Daily Started in Tientsin by Chinese

After months of preparations, the *Evening Post*, as English-language daily entirely owned by Chinese made its debut in Tientsin, Feb. 1. In its first leading article the journal outlined its aims, as "to further strengthen the bond of friendship between Chinese and foreign national, to make known the thoughts, views and plans of the Chinese people and to promote industry and trade." The new journal in published under the Evening Post Ltd. with a paid-up capital of $100,000. Thomas Liang is the publisher and concurrently chairman of the Board of Directors. C. W. Pan is the Editor-in-Chief and C. Gabb, formerly connected with the *China Press*, is editor.

New Daily Paper Established in Peiping

After one months of preparations the *Peiping News*, a new daily reorganized from the defunct *Peiping Daily News*, made its debut Feb. 1. The new paper is edited by Dr. Wilson Wei.

New Building of Hangchow Daily Formally Opened

Over 700 guested attended the ceremony marking the open- of the new $180,000 four-story building of the *Tung Nan Jih Pao*, (Southeastern Daily News), at Hangchow, Feb. 1. Presiding over the ceremony in the capacity of chairman of the Board of Directors, Chen Kuo-fu, Governor of Kiangsu, gave the opening address, in which he stressed the importance of the newspaper as the ears and eyes and voice of the people.

"Central News Agency" Now Distributes "Reuters" Service

The familiar label of *Reuters New Agency*, which has appeared daily for more than 20 years at the head of many foreign and domestic news stories in the local Chinese papers has disappeared from the pages of the city's vernacular press. The disappearance of the *Reuters* datelines is the result of an arrangement between the British news organ and the *Central News Agency* which enables the latter organization to distribute all *Reuters* stories in Chinese under the label of *Central News*. This arrangement went into effect on February 1. In other cities in China, a similar arrangement has been in effect since 1932. The *Central News Auency*, according to reports, will also handle the Chinese service of the Havas Agency beginning March 1.

British Honor List Includes Officials Serving in Far East

The British New Year's Honor List (publication of which was delayed until Feb. 1 because of the Constitution crisis) contains the following:

Louis Beale, British Commercial Counsellor, a Knight Commander of the Order of St. Michael and St. George (K.C.M.G.); Andrew Caldecott, Governor of Hongkong and Governor-designate of Ceylon, Knight Commander of the Order of St. Michael and St. George (K.C.M.G.).; W. B. Chilton, agent of the Kailan Mining Administration at Chinwangtao, Officer of the Order of the British Empire (O.B.E.); G. W. Hunter, of the China Inland Mission, Sinkiang, a Member of the Order of the British Empire (M.B.E.).

Sir Miles Lampson, first British Ambassador to Egypt, (at one time Minister to China) Knight Grand Cross of the Order of St. Michael and St. George (G.C.M.G.).

Gen. Huang Shao-hsiung Becomes Governor of Hupeh

BY S. Y. CHI 季世英

GENERAL Huang Shao-hsiung, former Governor of Chekiang, who arrived in Wuchang from Shanghai Jan. 15, was sworn into office as Chairman of the Hupeh Provincial Government the following morning in the presence of a large group of government officials and civilian guests in a formal inaugural ceremony held at the Chung-cheng Hall, with General Ho Cheng-chun, Director of the Wuhan Provisional Headquarters of the Chairman of the Military Affairs Commission, officiating. Wu Ting-yang and Chow Tien-fang, new Commissioners of Reconstruction and Education respectively, also took the oath of loyalty before the audience.

General Ho lauded General Huang's long years of experience, his wide knowledge of political conditions, and ability in service. After reviewing general conditions in Hupeh (which province has just emerged out of a whirlpool of long years of bandit disturbances and natural calamities), General Ho voiced the conviction that, under the proficient leadership of Governor Huang, substantial progress will be achieved to the best interest and welfare of the people of the whole province. Speeches were also made by Peng Kuo-chun, Party Commissioner of Hupeh; Kao I-han, Control Commissioner of Hupeh and Hunan; President Wang Hsin-kung and ex-Governor Fang Peng-jen.

In responding, Governor Huang delivered a speech in which he expressed his profound gratitude for the sound advice given him and promised to serve the province to the best of his ability. Outlining his policy of administrations, Governor Huang said that he would render his services to this province in a spirit of wholeheartedness and service. Every effort, he said, would be made to promote an education which is consistent with the need of the time and to improve the efficiency of service of the Provincial Peace Preservation Corps: In conclusion, the new Governor asked for constructive help, spiritual as well as material, and support and cooperation from all quarters so that the administration of the government service could be properly carried out to the best interest of Hupeh Province.

General Huang Shao-hsiung, former Chairman of the Chekiang Provincial Government, who was transferred to Hupeh by the decision of the National Government on Dec. 1 of last year and whose arrival had been on several occasions deferred by pressure of business in Nanking and Shanghai, was given a rousing welcome by the local officials upon landing from a C.N.A.C.

It is pertinent to recall that throughout the Sian affair in December last, General Huang volunteered his service to bring about a peaceful solution of the incident. He flew to Chengchow, Honan, from Nanking on Dec. 20, whence he proceeded to Taiyuan the next day to interview General Yen Hsi-shan on the question of how to bring about a speedy settlement of the Sian *coup d'etat* and a quick rescue of Generalissimo Chiang Kai-shek, when the Sian incident suddenly took a favorable turn.

Met Wang Ching-wei

General Huang, prior to his departure, met Wang Ching-wei, former President of the Executive Yuan and Minister of Foreign Affairs, who returned to Shanghai, Jan. 14, after a long rest in Europe, where he had been recuperating from the injuries he received at the hands of a gunman in Nanking in November, 1935.

During his tenure of office as Governor of Chekiang, great progress was achieved in that province. As regards the financial condition of Chekiang, ways were devised to balance the provincial budget which paves the way to financial stabilization in that province. The driving of the New Life Movement has brought order and serenity to the whole province. At the same time, substantial progress has been witnessed in both the civil affairs and in the educational field of that province.

Hupeh Government Reorganization

With the arrival of the new Governor, fresh prospects are being held by the various quarters for the future progress of Hupeh province. In accordance with the orders issued by the National Government, Jan. 8, several changes have been effected in the personnel of the Hpueh Provincial Government. Besides Messrs. Lu Chu (Secretary-General and Acting Governor of Hupeh during the last two and half months), Fan Hsi-chi, K. C. Wu (Mayor of Hankow), Meng Kwang-peng and Chia Shih-yi, who are to continue to serve as commissioners of the Provincial Government, Messrs. Wu Ting-yang, Chow Tien-fang and Yang Kwei-yi have been appointed to be new commissioners is succession to Messrs. Liu Shou-peng, C. P. Cheng and Li Shu-cheng. Mr. Meng and Mr. Chia continue to be Commissioners of Civil Affairs and Finance while Wu Ting-yang and Chow Tien-fang have been appointed Commissioners of Reconstruction and Education respectively.

It is quite possible that General Huang will follow the deceased Governor Yang Yung-tai's plans to bring to materialization the Hsiang Ho conservancy project, the construction of the Wuhan Bridge which is to span the mighty Yangtze River, and the completion of the road building program and the modernization of Wuchang.

Wuchang, Jan. 18, 1937.

In the United States Court for China

In re.
Last Will & Testament
of
WILLIAM WIRT LOCKWOOD
Deceased

Cause No. 4163
Special Proceedings No. 2042
NOTICE
Filed at Shanghai, China January 21, 1937
WILLIAM T. COLLINS, Clerk.
L. T. Kenake, Asst. clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of WILLIAM WIRT LOCKWOOD, deceased, to present the same with vouchers to the undersigned on or before July 30, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

MRS. WILLIAM WIRT LOCKWOOD
c/o Dr. H. C. MEI,
190 Peking Road
Shanghai.

Shanghai, China.

In the United States Court for China

In re.
Estate
of
FRANCIS F. STANLEY,
Deceased

Cause No. 4141
Special Proceedings No. 2020
NOTICE
Filed at Shanghai, China, January 30, 1937.
William T. Collins, Clerk.
L. T. Kenake, Asst. clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of FRANCIS F. STANLEY, deceased, to present the same with vouchers to the undersigned on or before August 6th, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

W. A. Reed, Administrator
c/o U. S. Court for China,
Shanghai, China.

Shanghai, China.

Chinese Cotton Mills Buy Japanese Machinery

The *Shanghai Nippo* says seven large Chinese cotton mills have placed orders for Japanese spinning and weaving machines in order to meet the growing demand for cotton textiles. Japanese observers regard this phenomenon as a step in the direction of Sino-Japanese economic cooperation.

Vegetable Oil Refinery to Be Built at Wuhu

Wuhu has been chosen as the site of the Anhwei branch refinery of the China Vegetable Oil Factory under the auspices of the Ministry of Industry. Preparatory to the construction of the plant, experts of the factory will be sent to central and southern Anhwei to investigate the production of vegetables and vegetable oils in those regions.

Shantung to Aid Fishing Industry

To develop the fishing industry along the Shantung coast, the provincial government has instructed the Peoples Livelihood Bank to grant a loan of $115,000 to the Shantung Fishermen's Cooperative Society.

First Modern Cotton Mill in Yunnan Nears Completion

Construction of the first modern Cotton mill for Yunnan is nearing completion. Work was started in October last under the auspices of the Provincial Department of Reconstruction. The machinery has already been installed, and mill hands are being recruited for training.

Salt Yield Shows Increase in Yunnan

The annual yield of salt in Yunnan has shown an upward trend during recent years, although its refining methods are still in a crude stage, according to Hsieh Kwei-lung, representative of the Salt Revenue Administration of the Ministry of Finance who recently investigated salt industry in the province.

Many Shops in Kaifeng Closed Owing to Depression

Hit by business depression, scores of business concerns in Kaifeng have closed down in view of the advent of the Lunar New Year.

Canton Merchants Oppose Trade Tax

The Chamber of Commerce of Canton has been requested by more than a hundred and twenty stores to petition the Finance Department of the Kwangtung Provincial Government, staging opposition against the new regulations governing the trade tax and urging that the trade tax should be levied in accordance to the amount of capital, which the store possesses.

Canton-Hongkong-Shanghai Radiophone to be Opened Feb. 15

The Canton Automatic Telephone Administration announces that the Canton-Hongkong-Shanghai rediophone service will be inaugurated on Feb. 15.

Soochow to Have New Waterworks

A new waterworks is to be built in Soochow. The China Development Finance Corporation is interested in financing the project, which will cost $1,500,000.

Shantung Province to Control Gold Mines

With the approval of the Executive Yuan, the Shantung Provincial Government has organized a Committee for the control of gold mines in southern and eastern Shantung. Gold deposits have been found at Ishui, Chuchow, and Mengyin, in southern Shantung; and Jihchao and Chaoyuan, in eastern Shantung.

Report that Chinese Shipbuilders Are to Be Exempt from Import Duties Said to Be Incorrect

Recent reports published in various newspapers to the effect that local Chinese shipbuilders would be exempt from paying import duties on all shipbuilding materials are incorrect, according to the management of the Kiangnan Dock and Engineering Works. Owing to the backwardness of the steel industry in China, the management said, most shipbuilding materials have to be imported from abroad. Thus, the local shipbuilders have to pay both freight and duties on imported materials, making their prime costs higher than those of foreign shipbuilders. There is a further disadvantage due to the Customs not levying a tax on foreign built vessels for trading in Cnina, it is explained. Thus, local shipbuilders have been placed in an unfavorable position when in competition with foreign shipbuilders. Such conditons, it is emphasized, will eventually affect Chinese shipping development and the welfare of Chinese laborers.

The Kiangnan Dock and Engineering Works, actuated by the desire of securing equality in treatment, sent a petition some time ago to the Government, asking that either duties should be levied on foreign built vessels for China, or that the importation of shipbuilding materials to China be exempt from duties, so that local and foreign shipbuilders will stand on an equal footing.

This petition, however, it is stated, has not yet been approved by the Government.

Hunan-Honan Telephone Line Opened Feb. 1

The Hunan-Honan long-distance telephone line, linking Changsha, and Yoyang in Hunan and Hsienyang, Hsuchang, Loyang, Kaifeng and Chengchow in Honan, was thrown open to the public on Feb. 1, a recent announcement from Chengchow stated.

Kwangtung Asks Permission to Float Rail Bonds

Gen. Yu Han-mou, Pacification Commissioner of Kwantung province, has petitioned the Central Government for permission to issue railway bonds amounting to $25,000,000 for the building of the Canton-Meihsien Railway.

Through Railway Traffic Between Shanghai and Canton

Through railway traffic between Shanghai and Canton will be realized some time at the end of this year, according to Chow Tsung-chi, assistant Managing Director of the Canton-Hankow Railway Administration, tne *Ta Kung Pao* reports. Mr. Chow, who was in Shanghai to confer with authorities of the Shanghai-Hangchow-Ningpo and the Chekiang-Kiangsi Railway Administrations on the connection of railway tracks between the lines, predicted that when the new through service materializes, it will take only two and-a-half days to travel from Shanghai to Canton.

New Rail Plan in Kwangtung Now Being Studied by Nanking

The plans of the Kwangtung provincial government to issue $25,000,000 worth of bonds for the construction of the Canton-Meihsien railway, which is expected to be approved by the Executive Yuan, is now being studied by the Ministries of Railways and Finance. The projected line is about 350 kilometers and traverses the prosperous southeastern part of Kwangtung.

Kiaochow-Tsinan Railway Observes Recovery from Japanese

The 14th anniversary of the recovery of the Kiaochow-Tsinan Railway from the Japanese was fittingly commemorated in Tsingtao, Jan. 29. The National flag was hoisted at every station and a holiday observed. At the anniversary service, Ko Kwang-ting, Managing-Director of the Kiaochow-Tsinan Railway, who presided, reported on the passenger and freight receipts and equipment as well as the reforms made last year.

Railways Minister Chiang Decorated by Belgian King

In recognition of his efforts in promoting closer and friendlier Sino-Belgian relationship, the King of Belgium has conferred the Grand Cross of the Belgian Crown Order on Chang Kia-ngau, Minister of Railways.

In a ceremony held Feb. 1 at the Belgian Legation on Rue Lafayette, Baron J. Delvaux de Fenffe, Charge d'Affaires, presented the decoration to Mr. Chang on behalf of the Belgian King.

Chientang Bridge Builders Resume Work

The 600 workers hired by A. Corrit Company in the construction of the Chientang River Bridge have resumed work following the consent of the contractor to pay $10,000 as a compensation to the families of the 68 ill-fated laborers who were drowned Jan. 24.

New Highway to Be Built to Famous Nine Flowers Mountain

Chiuhuashan, literally known as Nine Flowers Mountain, a famous acenic spot in Anhwei, will soon be accessible to motor tourists. The Anhwei reconstruction department has secured a loan of $300,000 from a Wuhu bank for the construction of a new highway, 130 kilometers long, which will link Wuhu and the famous mountain.

Anwhei Province Formulates Five Year-Cotton Development Plan

Promotion of cotton planting with government and bank investments, increase of cotton output by new productive methods, and distribution and marketing of cotton under government control are the principal measures outlined in a five-year plan formulated by the Anhwei Provincial Department of Reconstruction for reviving the cotton industry in the province, according to *Central News*. After the successful enforcement of the plan, an output of about 700,000 piculs of improved cotton from 3,000,000 mow of land is expected annually.

Funds will be sought from the Government and banks for the promotion of cotton planting. A capital of $3,000,000 will be raised for the establishment of a cotton mill in Anking, capital of Anhwei Province, to make use of the raw cotton produced. Work in the Yu Chung Cotton Mill in Wuhu, which was suspended sometime ago owing to business depression, will also be resumed.

According to the plan formulated, during the first year 50,000 mow of land in Tungliu and Wangkiang, cotton-producing centres, will be marked out by the provincial government for planting improved cotton seeds with new scientific methods, for the planting of which a sum of $30,000 will be required, to cover cost, transportation charges and other necessary expenses.

Shanghai Public Utility Companies Report Increased Activities in 1936

The five principal public utilities companies of the International Settlement are reported to have increased their activities during the past year as reported by the Shanghai Municipal Council in a survey released last week. The companies reporting progress are the Telephone Company, the Waterworks, the China General Omnibus Company, the Tramways Company and the Power Company.

The inauguration of the message rate tariffs, the development of the system to the point where the number of phones constituted a new record, the expansion of domestic long distance phone communication, the opening of radio phone service with Japan, the continued high standards of exchange service and the introduction of new equipment and facilities were the major features of the year's operations of the Shanghai Telephone Co.

Due to a cold spring, cool summer and decreased industrial demand in the first half of 1936, less demand was made on the water supply, the Waterworks reports. Total length of mains is now 192.67 miles. Negotiations are in progress to extend the plant in the area west of the Settlement.

Three bus routes were extended in 1936, the Bus Company reports, and three new routes inaugurated.

The Tramway Company has had an average year; 10 new trolley buses were added and work is in progress on the track extension in Yangtzepoo Road from the present terminus near Glen Road to the Point.

The last half of 1936 saw an increase in the consumption of electricity, the Power Company reported.

New Extension of Lester Institute Opened by British Ambassador

The new extension to the Lester School and Henry Lester Institute of Technical Education in Shanghai was formally Jan. 29 before a group of distinguished guests which assembled in the main hall of the Institute. The principal address was made by Sir Hughe Knatchbull-Hugessen, British Ambassador to China. In the course of his remarks, Sir Hughe said: "If any are disposed to think that we come here or that we come to China simply for our own selfish and material ends, and that we have no interest in the future of Shanghai or in the welfare of its inhabitants, no sympathy with the deeper needs of the millions of Chinese with whom we come into contact, let him look at these buildings whose extension we are here to inaugurate, let him think of the earnest desire, which they represent, for the increased welfare of the people of this country and of the living recognition of the fact that those among whom we work and trade have a claim on our goodwill and a right to our brotherly service."

The new extension contains two drawing offices, one small class-room, and two laboratories to meet all the requirements of the course in mechanical engineering. The laboratories, mechanical engineering and electrical power, contain the latest equipment for use by students taking the mechanical engineering course. Work was started on the extension in December, 1935. This addition to the main building of the Institute meets a need felt not long after the Institute was opened at the end of 1934, that of providing equipment for the training of students in mechanical engineering.

Enquiries in House of Commons Regarding Formosan Incident Elicit Evasive Replies

Questions were asked in the House of Commons Jan. 25 about the incident at Keelung, Formosa, on October 7, when three British sailors are alleged to have been manhandled by Japanese police and a British officer insulted. It was alleged at the time that Japanese policemen, jabbed a fountain pen under the finger nails of one sailor while he was under arrest in Formosa and squirted ink into the wound to make him sign a "confession."

"The matter is still under discussion with the Japanese Government, who have not yet given their final reply," was the answer given by Viscount Cranborne, Under-Secretary of State for Foreign Affairs.

Alan Graham, a Conservative had asked whether the Japanese Government had yet given any proof of the reality of its desire, officially expressed on January 14, for a furtherance of the traditional friendship between Great Britain and Japan by tendering a satisfactory apology for the incident. Sir Charles Cayzer had asked if the Japanese Government had now tendered full satisfaction to the British Government.

Ten Thousand Laborers to Take Part in Dredging Chin Huai Ho in Nanking

The second compulsory labor project was inaugurated at Nanking Feb. 1 when some 10,000 recruits turned out to take part in the dredging of the Chin Huai Ho. The opening ceremony was conducted by Mayor Ma Chao-chun.

CUSTOMS NOTIFICATION NO. 1562

The public is hereby notified that the Government have approved the definition of the terms "bottle" and "half-bottle" as used in Import Tariff Headings Nos. 403 to 408 in accordance with the following three notes:

1.—The term "half-bottle" in Tariff headings Nos. 403, 404, 405, 406, 407, 408 and 418 includes any capacity up to but not exceeding ½ litre, with the exception of "splits" and *bona fide* sample-size bottles. The term "bottle" in the same Tariff headings includes any capacity exceeding ½ litre up to but not exceeding 1 litre.

2.—So-called "half-bottles" containing less than the maximum quantity prescribed in the respective Tariff headings or in these notes, with the exception of "splits" and *bona fide* sample-size bottles, shall be dutiable at the full duty rate for "half-bottles." So-called "bottles" containing more than the prescribed "half-bottle" maximum capacity up to but not exceeding the prescribed "bottle" maximum capacity shall be dutiable at the full duty rate for "bottles." So-called "bottles" containing more than the prescribed "bottle" maximum capacity shall be dutiable at the duty rate for "bottles" increased *pro rata* according to actual capacity.

3.—"Splits" if not exceeding one-half of the maximum capacity for "half-bottles" as prescribed in the respective Tariff heading or in these notes shall be subject to duty at half the rate for "half-bottles."

CHU CHANG-NIEN,
Superintendent of Customs.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 28th January 1937.

In the United States Court for China

In re.
the LAST WILL AND TESTAMENT
of
HELEN STEINACHER,
Deceased.

Cause No. 4133
Special Proceedings
No. 2012
NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of HELEN STEINACHER, deceased, to present the same with vouchers to the undersigned on or before August 6th, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

W. C. Watson
c/o Franklin & Harrington,
149 Yuen Ming Yuen Road,
Shanghai, China.

Hupeh's New Governor Outlines His Policies

BY THE REVIEW'S HANKOW CORRESPONDENT

At the weekly Memorial service held Jan. 25, at the Chung-cheng Hall, Wuchang, General Huang Shao-hsiung outlined his new policies for the province of Hupeh. The newly installed governor maintained that the Nanking government's attitude to the Shensi revolt was one of a father seeking to reprimand his child. On the one hand it is seeking to show a stern face and firm resolve to discipline, while on the other it is trying to show magnanimity to the recalcitrant leaders in an effort to lead them to repentance. He urged his colleagues to redouble their efforts by doing their "duties so that the highest efficiency of government administration can be attained, for political stability would add strength to national vitality as well as solidarity."

Some of the local officials apparently fear they may lose their positions. The new governor made it plain that those who fulfill their obligations and do their duty, need not fear. Instead of losing their positions they would be rewarded through regular advancement. The best protection was diligent and faithful service.

The first problem requiring attention in Hupeh province according to General Huan is the readjustment of the land tax. In this way the finances of the district and of the province will be placed on a firmer basis.

The second problem is that of the right utilization of the Pao-chia system.

The third problem is that of flood prevention.

Governor Busy Granting Interviews

Ever since his arrival in the Wuhan center the new governor has been kept busy collating information regarding the affairs of the province. So far he has made a good impression upon the residents of Wuhan, who hope he will be able to carry forward the reforms initiated by his predecessor.

Railway Bridge or Ferry Across the Yangtsze

There is strong sentiment in favor of building a railway bridge across the Yangtze at Hankow, in order to facilitate the traffic on the Canton-Hankow and the Peiping-Hankow railways. According to one report definite plans for the bridge have been adopted and the government is prepared to spend ca.$12,560,000. The vast span will be 2,259 meters in length. The expenses are to be jointly borne by the Hupeh Provincial government, the Canton-Hankow Railway, and the Peiping-Hankow Railway. Work will commence shortly, according to the latest reports. Of course this bridge would have military as well as commercial value to Central China, in fact to China as a whole. It would greatly facilitate the movement of troops from the south to north and vice versa.

Hankow, Feb. 1, 1937.

Italian Banker Applies for Custody of Daughter —Wife Remarried to Jean Monnet

The *New York Times* states that an international tangle over the custody of the five-year-old daughter of an Italian banker was put into the hands of Supreme Court Justice Joseph M. Callahan in New York City recently, after it had wound its way around the world from Italy and France through Russia and China to New York.

The banker, Francesco Giannini, whose headquarters are in Rome and Milan, seeks to obtain the custody of his daughter, Anna, from his wife, Sylvia Maria de Bondini Giannini, whom he married in Rome on April 7, 1929. The wife obtained a Soviet divorce from him in Moscow in 1934, Giannini charges, and was remarried there to Jean Monnet, former financial adviser to the Chinese Government and first French under-secretary-general to the League of Nations. The banker, attacking the validity of the Moscow proceedings, seeks to establish his right to the child. Giannini declared his wife went to Shanghai, China in 1934, and later came again to New York, where he followed her and served her with papers in the suit.

Sig. Guliano Cora Succeeds Signor Lojacono as Italian Ambassador to China

Italy Feb. 1 nominated Dr. Roberto Cantalupo, at present Ambassador in Rio de Janeiro, as the first Italian Ambassador to Gen. Vincisco Franco's insurgent government in Spain. Signor Vincenzo Lojacono, Ambassador to China, is replacing Dr. Cantalupo, while Signor Guliano Cora, former Ambassador to Chile has been appointed to succeed Signor Lojacono.

Students from North-Eastern U. Proceed to Nanking to Take Up Studies

Tsang Chi-fang, who was appointed Acting President of the North-eastern University, returned to Nanking from Peiping Jan. 31. He submitted a detailed report regarding the unsatisfactory conditions in the University caused by the opposition of certain reactionary elements to the Ministry of Education.

Between 70 and 80 students of the North-eastern University proceeded to Nanking this week, following the decision of the Ministry of Education to suspend financial appropriations for the institution and open classes in Nanking for those who are not in sympathy with the present group in charge of it. Altogether 230 students have signified their willingness to go to Nanking and, as soon as free railway transportation is available, they will leave Peiping.

A number of North-eastern residents in Peiping, who are opposed to Chow Chin-wen, executive secretary of the University, who is holding out against the orders of the National Government, telegraphed to the Government and the Ministry of Education urging his dismissal and punishment for insubordination.

Executive Yuan Allots Funds for Relief of Shensi and Kansu Students Abroad

In compliance with the petition of Dr. Wang Shih-chieh, Minister of Education, the Executive Yuan, at its meeting Jan. 26, decided that a sum of $16,000 be allotted and advanced by the Ministry of Education, from its educational grants for the various border provinces, for the relief of students from Shensi and Kansu pursuing higher studies abroad whose remittances from home have been stopped since the outbreak of the Sian rebellion in December.

At the request of Hsu Shih-ying, Ambassador to Tokyo, the Ministries of Education and Finance are devising measures for the relief of the students studying in Japan, who hail from the North-western provinces of Shensi, Kansu, Ninghsia and Chinghai (Kokonor) and whose financial support has been suspended in consequence of the outbreak of the Shensi revolt last month.

23 Cantonese Students to Enter Special Training Class in Nanking

Twenty-three Cantonese students, all graduates of the Chung Shan University at Canton, arrived in Nanking this week to register in the special training class for college graduates which is being conducted by the Ministry of Education. Formal opening of the class was announced for Feb. 5.

Importance of Practical Education Stressed in Radio Speech

Secondary education should impart practical knowledge, emphasize both theory and practice, foster an active spirit among the students, and give equal attention to training students for entering colleges and for doing professional work after graduation, declared Dr. Wang Shih-chieh, Minister of Education, in the course of a radio speech on "Some Problems of Secondary Education Affecting the Teaching of English in Chinese Schools" given over the Central Broadcasting Station in Nanking on Jan. 26 on the occasion of the opening of the first winter Conference of the Western Languages Association of China in Peiping.

Illustrating the lack of practical knowledge on the part of students in Chinese middle schools, Dr. Wang asserted that many students are able to harangue on Darwin's theories of natural selection and survival of the fittest, but do not understand as much as the farmers about the plants, birds, and natural phenonmena in the fields.

Rival Moro Sultans Issue Proclamations in Philippines

The Moros of the Philippines Jan. 30 had to decide between two rival sultans, as the result of conflicting proclamations. Simultaneously claiming power and authority were Datu Umbra, husband of Princess Piandao, and Datu Tambuyong. The deaths of two sultans within the last six months resulted in a split in the royal family, leading to the rival claims.

U.S. Imports from the Philippine Islands

Preliminary figures on United States imports from the Philippines during the calendar year of 1936 released by the Treasury Department Jan. 27 included coconut oil, 328,715,073 pounds, constituting 73.37 per cent of the Islands' quota; refined sugar 111,827,401 pounds, or 99.85 per cent of the quota; unrefined sugar, 1,791,571,669 pounds, which was 99.98 per cent of the quota; cordage, 3,921,431 pounds, 65.36 per cent of quota allotments.

Message from Pope to Eucharistic Congress at Manila

A telegram from Vatican City, Jan. 31, stated that the health of Pope Pius XI had improved and that he conferred with the Vatican director of radio activities, Father Filippo Soccorsi, regarding a radio benediction which he planned to send to the Eucharistic Congress at Manila.

Who's Who in China

Chow Hsiu-wen, customs official; born at Hofei, Anhwei, 1891; graduate of Meiji University, Japan; member of the Peking Senate; member of the Constitution Drafting Committee of the Peking Parliament; adviser to the Ministry of Finance; superintendent of Chefoo Customs, 1924, and concurrently chairman of the Chefoo International Silk Improvement Committee and of the Chefoo Harbor Improvement Commission; adviser to the Customs Tariff Conference; assistant to the Director of the Revenue Department of the Ministry of Finance; secretary in the Peking Cabinet; counsellor to the Shantung Provincial Government and in that capacity represented Shantung at the 2nd National Finance Conference; re-appointed superintendent of Chefoo Customs, since 1935, and concurrently chairman of the Chefoo Harbor Improvement Commission and of Chefoo Sericulture and Filature Improvement Commission, and member of the Tsinan and Tsingtao Committee of the Currency Reserve Board; author of "My Opinion on the Customs Tariff Conference;" address: Office of the Superintendent of Customs, Chefoo, Shantung.

周秀文
Chow Hsiu-wen
(Chou Hsiu-wen)

周秀文，年四十六歲，安徽合肥縣人，日本明治大學畢業，歷任參議院議員，憲法起草委員會委員，財政部顧問，一九二四年任東海關監督兼華洋絲業委員會會長，烟台海壩工程會會長，關稅會議顧問，財政部賦稅司幫辦，國務院秘書，山東省政府參議，代表山東省政府出席第二次全國財政會議，一九三五年復任東海關監督，兼任烟台海壩工程會會長，蠶絲改良委員會主任委員，發行準備管理委員會濟青分會委員，曾著「關稅會議之我見」。

China Fibre Co. Opens New Board Mill in Shanghai

A new board mill was formally opened Jan. 24 at 273 Haichow Road, Shanghai, by the China Fibre Container Co., Fed. Inc. U.S.A., of which A. E. Mandel is president. The machinery was furnished by the German firm Carlowitz & Co. The China Fibre Container Co. claims that its new mill is one of the finest, if not the finest, paper mills in the Far East. It is housed in a solid concrete, two-story building and is equipped with the latest type of machinery. A well, 500 feet deep and one of the deepest in Shanghai, was sunk by the Aurora Company to supply the mill with the million gallons of water it requires each day.

WHO'S WHO IN CHINA—5th EDITION

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Men and Events

The Chinese Lunar New Year takes place this year Feb. 11.

Tatsuo Kawai, Japanese Consul-General in Shanghai, has been elected President of the local branch of the Navy League.

Dr. Anne Walter Fearn gave an "At Home" Feb. 1 at the Cathay Hotel in Shanghai in honor of Lady Dorothea Hosie.

The Japanese Consulate-General in Foochow is to be greatly expanded, according to Japanese reports. The staff will be increased by more than 20 members.

H. D. Rodger, member of the American bar in Shanghai, has been elected president of the Shanghai Masonic order, Nomad Oasis, for 1937, succeeding George F. Shecklen.

Dancing at the International Club at Nanking must henceforth cease at midnight, according to a resolution adopted at a meeting Jan. 30 of representatives of the various organs enforcing the New Life Movement.

More than 200 members of the Japanese Naval Landing Party in Shanghai moved out of their quarters at daybreak on the morning of Jan. 30 and staged two-hour military maneuvers around the Yangtszepoo district.

Brooding over his financial difficulties, Cheng Nai-tao, 27 year old assistant of the Department of Botany of the University of Nanking, committed suicide by taking poison in the faculty dormitory on the night of Jan. 29.

Chang Chi-wu, for the past decade Physical Director of the Nankai University and Nankai Middle School, Tientsin, has been appointed deputy chief of the Physical Section of the Ministry of Education.

Shanghai has 105 massage establishment with a total of 2,750 massage girls, according to a private investigation. One dollar is usually charged for massage in these establishment, the *Ta Kung Pao* of Jan. 22 stated.

On the eve of the fifth anniversary of the outbreak of the Shanghai hostilities, in which he took a prominent part, Rear-Admiral Jiro Saito, died at the Naval Hospital in Sasebo Jan. 27 at the age of 51.

The death occurred in Edinburgh, Scotland, Jan. 28 at the age of 90 of Wellesley C. Bailey, after a lifetime devoted to the cause of lepers. He was instrumental in establishing leper asylums in China, Japan, India and several other countries.

Reports that Admiral Shen Hung-lieh, Mayor of Tsingtao, had been assassinated, which appeared in the *Shantung Mainichi*, were immediately denied at Tsingtao Jan. 27. A vigorous protest was filed with the Japanese Consul General.

Credit is due to Fang Fu-an, editor of the *Chinese Opinions* translation service, for the excellent translation of the article "How Armed Resistance Will Bring Powerful Friends to China's Side," by Gen. Li Tsung-yen, appearing in *The Review*, Jan. 30.

At the request of the Chinese residents in Singapore, the Ministry of Interior is despatching 6,500 National Flags to Singapore. The Ministry has requested the Ministry of Finance to instruct the Customs authorities to exempt the flags from payment of Export Duty.

The Japanese Consul General and Mrs. T. Kawai were at home on Jan. 30 from 4-6 p.m. at their consulate residence, 128 Seymour Road. Over 1,000 invitations were issued to the leading members of the Chinese, foreign and Japanese communities in Shanghai.

The *Chinese Digest* states that a 26-year-old youth, Dong Kingman, won the first prize of $50 in the San Francisco Art Exhibition with a picture, "Church," a water color of the Sts. Peter and Paul Church, a short distance from San Francisco's Chinatown.

Wilbur Judd, Executive Secretary of the American Army and Navy Y.M.C.A. in Shanghai is making an appeal for old books and magazines. In a circular letter he states: "When you have books or magazines just phone 16904, leave your instructions and we will pick them up."

Mr. and Mrs. F. Russell Engdahl, were honored at an at home reception Jan. 28 given by Consul-General and Mrs. Clarence E. Gauss at 269 Amherst Avenue, Shanghai. Vice-Consul and Mrs. Engdahl had just returned from their honeymoon trip, which included Manila and Singapore.

Yen Hsun-chung of No. 2 Chin An-li, Foochow, was among those who received honorable mention (with the prize of "Creeds of Great Business Men") in a stenographer's contest recently held by the *Gregg Writer*, with headquarters at 270 Madison, Avenue, New York.

Tseng Yang-fu, Mayor of Canton, returned to said city from Nanking Jan. 29 after six weeks' absence. In an interview, he said that the 3rd Plenary Session of the 5th Central Executive Committee will be held on Feb. 15 as scheduled. He will proceed to the Capital by airplane to attend the Session.

Dr. W. W. Yen, former Chinese Ambassador to Moscow, and "Dean of Chinese diplomats," returned to Tientsin by train Jan. 31. Emerging from his political retirement, Dr. Yen recently came to Nanking from Fenghua to interview high Government officials. It is understood he may revisit the capital in the near future.

The death occurred Jan. 27 at the age of 50 of Heinrich L. Ockermueller, honorary Vice Consul for Austria in Shanghai. He had resided in Shanghai 18 years and was head of the export department of Reuter, Brockelmann and Company.

Italian efforts to further economic and cultural cactivities in South China are envisaged by the arrival in Canton of Prof. S. Fornario of Rome University, who will lecture in law and international relations at Sun Yat-sen Univeristy in said city.

Chin Fong, secretary of the Chinese Chamber of Commerce in San Francisco, declared last week that 13,000 Chinese in that city are virtually without rice from their homeland as a result of the shipping strike. The indications were that this year's celebration of Chinese New Year would have to be curtailed.

The China Buddhism Association in Shanghai, has sent out a circular letter to all Buddhist organizations, soliciting funds for the purpose of building a Chinese temple in India for the convenience of Chinese pilgrims who may find it necessary to make a long stay. Four mow of land have already been acquired for the purpose.

The death occurred in Hongkong Jan. 26 at the age of 81 of Hong Sling, for many years compradore of the old Pacific Mail S.S. Co., and a director of Sincere Co., Ltd. and many other business and banking enterprises. He was born in Toishan, Kwangtung, and in his youth worked as a section hand on the Union Pacific Railway in the United States.

The American University Club is arranging to hold a tea dance on the occasion of Washington's birthday on February 22 in the ballroom of the International Club on Bubbling Well Road. Judge Milton J. Helmick, president, has appointed a committee consisting of Messrs. Percy Kwok, William Hunt, Alfred Lee and Bruce Smith to prepare the program.

The death occurred in London Jan. 29 at the age of 59 of Sir Percival Phillips, one of the best known of British press correspondents. Deceased was a native of Brownsville, Penna, and worked in Pittsburgh before becoming a war correspondent. He was for many years a roving correspondent for the London *Daily Mail*. He covered the 1927 Nationalist Campaign in Shanghai.

A White Russian, wearing a black shirt, named Argunoff, was ejected by the French Police from the Lyceum Theater on the night of Jan. 31, when a concert was being given by S. Vertinsky. Argunoff interrupted a song which contained the suggestion that White Russians abroad should not look to their mother country with hate. Argunoff thereupon delivered a tirade against such a sentiment.

Plans for the annual excursion of the Pan-Pacific Association over the Easter holidays, from Friday, March 26 to Monday, March 29, are being arranged in co-operation with the China Travel Service. Tien Mo Shan, Chekiang, has been selected this year on account of its accessibility, its beauty spots, and the comfortable and convenient hotel located on the mountain. The all incluisve cost for a party of not less than 15 has been fixed at $60.00; sedan chairs extra.

Yang Jui-shen, 62-year old millionaire building contractor of Shanghai, kidnaped early last month, was rescued last week after being held a prisoner by his abductors in a small Chinese village house in Nanwei, Pootung. The aged builder was located by members of the Bureau of Police, who raided the hide-out. A group of International Settlement police brought the contractor back to the Settlement.

Dr. J. Usang Ly returned end of last week from a business trip to Nanking and Chekiang province on behalf of Chiao-tung University. Incidentally, at Hangchow he inspected the Chien-tang River Bridge work and visited Hangchow Christian College for a directors' meeting; and at Nanking he attended a meeting of the Sun Yat-sen Institute and lectured in the Ministry of Railways on "A Special Training Project in Railway Construction Planning."

Chow Chueh, director of the Shanghai Office of the Ministry of Foreign Affairs, was the host at a cocktail party between 5.30 and 7.30 p.m. Jan. 29 at the office of the Ministry in Tifeng Road. The reception was the second given recently and was attended principally by local municipal officials, leading residents and journalists. The guests, both Chinese and foreign, numbering about 100, were received at the entrance by Mr. Chow, T. C. Chao, assistant director, L. P. Sung and M. L. Chang, secretaries.

Lo Ming-yu, General Manager of the United China Film Corporation, who took the company's production "Tien Lun" to America for public showing in November last, returned to Shanghai last week. According to Mr. Lo, the Chinese Film "Tien Lun" won wide acclaim when shown in New York, Hollywood, Los Angeles and other large cities in the United States. As a result, many American motion picture companies entertain the desire to cooperate with Mr. Lo and his corporation.

Two Tokyo policemen were dismissed on Jan. 15, one for bigamy and the other for rape, according to the *Yomiuri*. The punishment was the severest administrative measure that can be taken against officials, short of judicial action, the paper added. The *Japan Advertiser* said Saburo Hayakawa, new superintendent of the Metropolitan Police Board, is said to be annoyed by the incidents, which occurred at a time when the board is trying to elevate the morals of the police by making them practice Zen meditation in the gymnasium of the special police force and by sending high officials of police stations to Hommonji temple, Ikegami, to submit to spiritual training.

Lincoln C. Reynolds, former American Consul in Tientsin, is now associated with the Pan-American Airways at Miami, Florida.

Glenn Babb, for sixteen years with the *Associated Press* in Japan and China, has been assigned to the foreign department of that organization in New York.

Smallpox is now epidemic within the Shanghai International Settlement (including outlying municipal roads), according to Dr. J. H. Jordan, Commissioner of Public Health.

Dr. F. L. Hawks Pott, president of St. John's University, addressed the Shanghai Foreign Y.M.C.A. on "Christian Attitude Towards Other Faiths and Races," Feb. 2.

Hugh Martin was appointed President of the British and American United Association at the annual general meeting held in the Hongkong and Shanghai Bank building in Shanghai Feb. 1.

Feng Yu-chen, chief of the Reporting Section of *Central News* Head Office in Nanking, who recently returned to China from a six-month tour in Europe investigating press conditions, has been appointed Manager of the Shanghai Bureau of the Agency.

The death occurred at Nanking Jan. 29 of H. C. Rowson of the Yee Tsoong Tobacco Company. Mr. Rowson was 38 years old and is survived by his wife in Nanking and his parents, both of whom are living in Bournemouth, England.

The death occurred in Tientsin Feb. 1 at the age of 51 of L. O. McGowan, Director of the China-American Trading Corporation, from pneumonia. Deceased had been a resident of Tientsin a quarter of a century.

Having completed a two weeks' tour of inspection in Japan, a party of Chinese tea traders returned to Shanghai end of last week. With a view to developing new markets for Chinese tea, the party will proceed on a tour of India and the South Sea Islands this month.

Eric W. Katz was arrested Feb. 1 by U.S. Marshal Faupel, on a charge that he defrauded the Christian Publishers' Association of China, his employers, in June last by changing an advertisement order, with the intention of obtaining $43.20 more commission than that to which he was entitled.

In order to relieve prison congestion, General Han Fu-chu, Chairman of the Shantung Provincial Government, has instructed the various District authorities to release on parole before Feb. 10 (Lunar New Year) all prisoners, with the exception of robbers, whose term of imprisonment is less than three years.

Dr. John Y. Lee was elected President of the University of Chicago Club of Shanghai at the reunion dinner held last week at the International Club in Shanghai. Nathaniel Peffer, author of "Must We Fight in Asia" was present at the dinner and gave reminiscences of his college days at the University of Chicago.

Judge Milton J. Helmick of the U. S. Court and Leighton Shields, District Attorney are scheduled to depart from Shanghai for Canton on Sunday, Feb. 7. A session of the Court will be held at the American Consulate-General at Canton. Judge Helmick will be accompanied by Mrs. Helmick. Miss Helen Wiley, court reporter, will also accompany the party.

Dr. John Earl Baker, executive secretary of the China International Famine Relief Commission, who returned from the United States recently, was the guest of honor at a tiffin held at the library of the Navy Y.M.C.A. by the International Fellowship Committee of the Shanghai Community Church. Feb. 2. Dr. Baker spoke on his recent experiences in America and made various observations on the political and economic situation there.

Death of Unborn Child Basis of Suit Against Bills Motors Co. in U.S. Court

The deposition of Dr. T. M. Burton was taken Feb. 2 in the U. S. Court for China, before Judge Helmick, in a suit in which Mr. and Mrs. John W. Morcher are suing Bills Motors Co. for U. S. $14,000 and Ch. $2,133.77. Mr. Morcher, who is Deputy Treasurer of the Shanghai Municipal Council, claims that as a result of an auto accident in which his wife and a Bills Motors employee were involved, the death of his wife's unborn child was caused and Mrs. Morcher's life was endangered because of the necessity of a serious operation. According to the plaintiffs, who were represented by Myron Wiener, on May 25, 1936 Mrs. Morcher was driven by her chauffeur to the corner of Yates Road and Love Lane, where the car was parked. A truck owned by Bills Motors and driven by a Chinese employee "in a negligent manner" struck the rear end of the Morcher car.

Under questioning by Dr. George Sellett, appearing for defendants, the physician said that he had attended Mrs. Morcher on a few occasions prior to July 22, 1936. On that date he examined her and decided that her child was dead, he said. On August 21, with several other surgeons in attendance, Dr. Burton performed an operation on the patient for a condition which he described as "dangerous" and "unusual." He continued to visit Mrs. Morcher at weekly intervals from July 22 to October 20. There was nothing abnormal in the history of the patient prior to her accident, Dr. Burton said, and she made a very good recovery from the operation.

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New Books of Interest in the Far East

The Chinese Year Book Appears in Second Edition

The Chinese Year Book 1936-37 (second issue). Edited by Chao-ying Shih, M. A., Chairman of the Department of Political Science, National Wuhan University and Director of the Council of International Affairs, Nanking, and Chi-Hsien Chang, Ph.D., Professor of Political Science, University of Yunnan and Research Fellow of the Council of International Affairs, Nanking. Published under the Auspices of The Chinese Year Book Publishing Company. Distributed by The Commercial Press, Limited, Shanghai, China.

This second issue, a volume of 1,600 pages, is a huge compendium of information about China, collected by experts in their various fields. Probably never in the history of publishing has such an array of the country's *intelligenzia* been drawn upon as in the compilation of this work. The board of Editorial Advisers includes Dr. Tsai Yuan-pei, President of the Academia Sinica; Dr. Wang Shih-chieh, Minister of Education; Dr. Tsou Lu, Chancellor of Chungshan University, Canton; Dr. Hu Shih, Dean of the School of Literature of the National University; Chung Yung-kuang, President of Lingnan University; Chin Feng, Secretary-General of the National Economic Council; Chien Chang-chao, Vice-Minister of Education, Dr. T. F. Tsiang, Ambassador to U.S.S.R.; Dr. Ma Ying-chu, Chairman of the Economic Committee of the Legislative Yuan; Dr. Kuo Ping-wen, Director of the Foreign Trade Bureau of the Ministry of Industry, Wu Ta-chun, Director of the Bureau of Statistics of the Central Kuomintang Headquarters and of the Comptroller-General's Office; Kwei Chung-hsu, Editor-in-chief of the *China Critic*; Dr. M. T. Z. Tyau, Advisor, Ministry of Foreign Affairs and Editor of *China Press Weekly*; Dr. Franklin Ho, Director of the Bureau of Political Affairs of the Executive Yuan; and Dr. Li Ti-tsun, Director of the Department of Intelligence and Publicity of the Ministry of Foreign Affairs.

Under this board, equally eminent authorities have been selected to write the fifty old chapters which comprise the book. The chapter-heads are indicated below in italics:

Topography—Kuo Chang Huang, Chairman Department of Geography, National Normal University, Peiping; *Astronomy*—Yu Ching-sung, Director, National Research Institute of Astronomy and President Chinese Astronomical Society; *Climate*—Chu Coching, President National Chekiang University, Former Director, Research Institute of Climatology, Academia Sinica; *Historical Sketch*—Lei Hai-tsung, Professor of History, National Tsing Hua University; *Population*—Tao Meng-ho, Director, Institute of Social Science, Academia Sinica; *Language and Dialects*—F. K. Li, Research Fellow, Institute of History and Philology, Academia Sinica; *Northeastern China*—Shengtsu Wang, Professor of Geography Greater China University; *Mongolia*—Y. T. Chang, Professor of Geography, National Tsing Hua University; *Sinkiang*—Kao Hsi-ping Director of Department, Ministry of Personnel; *Tibet*—J. T. H. Lamb, Councilor, Ministry of Foreign Affairs; *Chinese Overseas*—Chen Chun-pu, Member of Commission on Overseas Chinese Affairs; *Kuomintang*—Tsui Wei-wu, Former Chief, Press Bureau, Kuomintang Central Headquarters and Secretary, Ministry of Finance; *Central and Local Administrative Systems*—Ray Chang, Councilor, Executive Yuan; *Executive Yuan*—Ting-fu Tsiang, Former Director, Bureau of Political Affairs, Executive Yuan and Ambassador to U.S.S.R.; *Legislative Yuan*—Hsieh Pao-chiao, Director, Bureau of Legislative Research, Legislative Yuan; *Judicial Yuan*—Hsieh Kuan-sheng, Secretary General, Judical Yuan; *Control Yuan*—Chien Chih-shiu, Member of Control Yuan; *Examination Yuan*—Chen Ta-chi, Chairman, Examination Commission, Examination Yuan; *National Economic Council*—Chin Feng, Secretary-General, National Economic Council; *Home Affairs*—Chen Nien-chung, Director Department of Rites, Ministry of the Interior; *Foreign Relations*—M. T. Z. Tyau, L.L.D. (London), former Director, Department of Intelligence and Publicity, Ministry of Foreign Affairs; *Education*—Wang Shih-chieh, Minister of Education; *Press*—M. H. Chao, Manager and Chief Correspondent, *Reuter* Agency, Nanking Bureau; *Publications*—Y. W. Wong, Managing Director and Editor-in-chief, The Commercial Press, Ltd; *Public Finance*—P. T. Chen, Secretary, Ministry of Finance; *Banking and Currency*—F. Y. Chang, Director, Bureau of Research, Bank of China; *Foreign Trade*—Chang Chia-chu, Vice-Director, Bureau of Foreign Trade, Ministry of Industry; *The North China Smuggling Situation*—P. T. Chen, Secretary, Ministry of Finance; *Army*—Chu Shih-ming, Professor Army College; *Navy*—Chen Chao-kuan, Minister of the Navy; *Aviation*—Chien Chang-chu, President, School of Aeronautical Technology; *Railways*—Treng Yang-fu, Vice-Minister, Ministry of Railways and Mayor of Canton; *Shipping*—Ho Mo-lin, Shipping Department, China Merchant's Steam Navigation Co. and Vice-Director, Shanghai-Nanking and Shanghai-Hangchow-Ningpo Railways Administration; *Electrical Communications*—Wen Yu-ching, Director, Department of Electrical Communications, Ministry of Communications; *Post Office*—Victor T. Chen, Former Secretary, General Post Office; *Export*—Ministry of Foreign Affairs; *Industry*—D. K. Liu, Director, China Institute of Economic and Statistical Research; *Labor*—Lowe Chuan-hua, Sometime Industrial Secretary Y.M.C.A. National Committee of China, and Director, Shanghai Office, China International Famine Relief Commission; *Agricultural Economy*—C. C. Chang, Chairman, Rural Credit Committee, Bank of China; *The Cooperative Movement*—Chang Yuan-shang, Director, Department of Cooperatives, Ministry of Industry. *Animal Husbandry*—Ku Chien-chi, Export, National Resources Commission; *Forestry*—Lin Tao-yang, Director, Bureau of Forestry, Kwangtung Province; *Fisheries*—Hou Chao-hai, Director, Department of Fishery, Ministry of Industry; *Mining and Metallurgical Industry*—W. H. Wong, Former Director, Geological Survey of China, and Secretary-General, Executive-Yuan. *Hydraulic Engineering Works*—Li Hsieh, Chairman, Yellow River Commission. *Public Health*—J. Heng Liu, M. D. Director-General, National Health Administration. *Opium Suppression*—Tse-hsiung Kuo, Research Fellow, Council of International Affairs; *Buddhism*—C. Kuan, Member, Standing Committee, Chinese Buddhist Association; *Catholicism*—Hsu Tsung-che, Editor-in-chief, *The Catholic Magazine*; *The Christian Movement in China under Protestant Auspices*—Timothy Ting-fang Lew, Professor of Theology and Psychology, Yenching University; *Mohammedanism*—Ha Kuo-tung, Prominent Authority on Mohammedanism.

In addition to this vast array of information on almost every subject connected with China, there is a General Appendix including a Directory of High Banking Officials of the Central and Local Governments of the Republic, Chinese Diplomatic and Consular Service Abroad and the Foreign Diplomatic and Consular Service in China.

The editors call attention to the fact that the chapters on "Language and Dialects," "Northeastern China," "Mongolia," "Sinkiang," "Tibet," "Home Affairs," "Press", "North China Smuggling Situation," and "Opium Suppression" are subjects not treated in the first edition, published a year ago. They furnish valuable information, hitherto unavailable.

There goes with the Year-Book a separate special map of China, the total selling price being $28 (Chinese currency).

An Appreciation of Oriental Philosophy

Oriental Philosophy: The Story of the Teachers of the East. By Francis Grant, Vice President of the Roerich Museum, New York. The Dial Press, New York. 1936. Octavo. U.S.$2.75. 299 pages.

Time was when in America it was only a "strange" type of person—so were such individuals considered—who chose to take an interest in oriental philosophies and religions. Long hair, for a man, and an unkempt appearance, and a fondness for the "esoteric" seemed to be the necessary accompaniments for such an interest.

Fortunately these externals are no longer found necessary, and there is an interest in all things oriental, just as there should be. Occidentals, as they have been made more aware of the shortcomings of Western civilization, have become more appreciative of that of the East. Miss Grant's Oriental Philosophy will appeal to the many people who have not entered upon this field of knowledge and of thought but feel that they would do so if they had the right guidance. L. Adams Beck in 1928 published a book of a similar kind, The Story of Oriental Philosophy, and these two books have a many merits in common. Miss Grant's book has a pleasing narrative quality about it that makes it very readable, and the publishers for their part have given it an attractive format, with a handsome orange cloth binding, admirable printing and wide margins. There is a good table of contents, but no index. For the student who has already become familiar with oriental philosophies it must be said that he will find nothing very new in this book; its merit lies in its appreciativeness. The philosophies of India, China, Japan, Persia, and the faith of Islam are here. The story of the 47 ronin finds a place, so too even does Japanese "Teaism". In speaking of Mohammed near the end of the book Miss Grant writes:

> "Faiths which forget their own bloodshed in the name of God, denounced him for raising the sword. Civilizations which have sanctioned plural marriages by the expedient of divorce, expressed horror that he permitted polygamy, although it actually provided the one protection then possible for the women of Araby."

It is good that such points of view should be stated and considered by Westerners.

The reviewer feels that the author shows at times the fault of the romantic attitude, which allows the meaning one needs to know to be surrounded by a mysterious strangeness. Now and then the opportunity is lost to make certain details clearer and more accurate. Thus in telling the story of Rama, and of his effort to regain his faithful wife Sita, the author writes:

> "In the heroic exploits which result in her rescue, the animal kingdom plays a great part, and it is the host of Hanuman, leader of the monkeys, which finally helps in the rescue of the Princess."

The "monkeys" referred to are, however, a friendly-contemptuous allusion to the aboriginal natives of South India who helped their Aryan invaders conquer Ceylon. Oriental imagery at best presents difficulties to the occidental, and wherever possible

the occidental reader should be helped to get the rational thought behind the poetry.

There are eight full-page illustrations in this book, all of them reproduced from the paintings of Nicholas Roerich, which are housed in the Roerich Museum in New York City of which Miss Grant is the Vice President. Indeed the book is dedicated "in deep gratitude to Nicholas and Helena Roerich, whose inspiration led me to the beauty that is Asia."

D. R.

Highways and River Conservancy Discussed in League of Nation Pamphlets

Report of the Committee of Experts on Hydraulic and Road Questions in China. Geneva, League of Nations. Cooperation between the Organization for Communications and Transit of the League of Nations and the National Government of China., 1936. 213 pages, maps, plans.

This report has already been reviewed from the technical and practical view-point by Messrs. Arthur M. Shaw (Engineering News-Record, Vol. 117, No. 4, July 23, 1936, p. 129), O. S. Todd and Sig. Eliasson, the two last presenting a joint paper (Journal of the Association of Chinese and American Engineers, Vol. XVII, No. 6, Nov.-Dec., 1936, p.333). They all have had many years experience in China.

The present review is undertaken solely with the purpose of acquainting the general reader with the report.

Two major problems, which seriously affect the life of the country as a whole, were studied by the committee, the Problem of the Hwang Ho (Yellow River) and the problem of Furnishing Adequate Roads. Like all big questions, these have several others, more of less intimately connected with them. So, we find in this report that while about a quarter of the space has been devoted to the first problem and about a third to the second, nearly a half has been given to such questions as irrigation and hydraulic problems in the Northwest, and to the improvement and control of several rivers in territory adjacent to the Yellow River area, and a short reference to certain problems of the Yangtsze.

The material and arrangement of the report are such that it makes very interesting reading, even though the reader may wish to skip some parts that are too technical. The paragraphs are small, rarely more than eight or ten lines at the most, and the sentences straight-forward and not too involved. The subjects are well indexed and titled, and the several tables, maps, and plates such that any one to whom a good general knowledge of such things appeals, will find any time spent in reading this report not wasted.

The pros and cons of the various technical phases can well be left for a more careful study, but when so large a part of the human race lives in places that are subject to natural catastrophes on a large scale and of frequent recurrence, it would be well if more of us took the time to partake of the information that is here made so available.

E. H. K., Jr.

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THIRTEEN SOVIET CITIZENS, FOUND GUILTY OF TREASONABLE ACTIVITIES, EXECUTED BY SHOOTING; RADEK, 10 YEARS IMPRISONMENT

(*Continued from page* 330)

fessed, the newspaper pointed out, that the crimes committed by them were so evident that it was impossible to deny them.

Pravda commented editorially:—"The Soviet people met with satisfaction and unanimous approval the sentence of the Court. Words of greeting to the Supreme Court are rushing like a torrent from the Ukraine and the Urals, Gruzia, Western Siberia, plants and factories, State and collective farms—everywhere where there beats the honest heart of a Soviet patriot. One thought passes as a red thread in the din of approvals of the toilers: it is necessary to work still better and more effectively in order not only to repair the damages caused our country by the Trotzkyite wreckers, but still more rapidly than hitherto to multiply the national riches and the material basis of the might and greatness of our Fatherland."

Discussing the Moscow trial an article appearing in *Lih Pao* Feb. 1 commented: "The Moscow trial is the climax of the struggle between Trotsky and Stalin during the past ten years and the consequence of the assassination of Kirov in 1935. The trials of the assassin of Kirov, of Zinoviev last year and the recent case of Radek were closely connected. They revealed the activities of the Trotsky party in Soviet Russia and in other countries."

Widow of Lenin Arrested

Madame Nadejda Krupskaya, widow of Lenin, was arrested Feb. 1.

The arrest of the Deputy War Commissary, Marshal Tuchatchevsky, who is generally regarded as the "brain of the Red army," is declared imminent in informed quarters in Moscow, according to a message to the London *Daily News* Jan. 29.

Japan May Protest Moscow Trial Disclosures

Japan may take diplomatic action in connection with the disclosures made by Karl Radek, at the current trial of Trotskyists in Moscow, a Gaimusho spokesman revealed in Tokyo Jan. 27.

Sino-Japanese Match Syndicate Inaugurated in Shanghai

The All-China Match Syndicate was officially inaugurated Feb. 1. The Central office is situated at 33, Szechwan Road, Shanghai; there will be two branches, one in Tientsin and the other in Tsingtao.

Establishment of the Sino-Japanese Match Syndicate, was the subject of an editorial in the *Shanghai Nippo*, Feb. 1, part of which read as follows: "The basis for the success of such cooperation lies in the fact that, both as regards technical matters and management, Chinese factories are inferior to those established in China by Japanese capitalists. The world does not look upon China and Japan as equals. Neither politically nor economically is present-day China the equal of Japan. It is a well-known fact that China imitates Japan in political and social matters. There is no shame in this. Nor does it represent a surrender when good things are borrowed by a backward country from an advanced country. Indeed, this is a common phenomenon in the history of nations."

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February 3, 1937

Stock Exchange—Business Done:-

Total Volume: 2,430,000

1936—37 High	1936—37 Low	Div. $ per sh.	STOCK	Last Sale Feb. 1	Last Sale Feb. 2
18⅝	9⅝	0.35	Adams Express	18	18⅛
137½	108	4.00	American Can	109	111
40¾	29¼	0. 0	American Cyanamid "B"	33½	33⅝
13⅛	6½	—	American & Foreign Power	11⅝	12
68¼	29⅜	—	American & Foreign Power $7 pfd.	64	63½
29¼	18⅜	0.60	American Radiator	29¼	29
190⅛	149½	9.00	American Tel. & Tel.	184	183⅜
104	88⅛	5.00	American Tobacco "B"	99½	99½
29½	19⅛	0.80	American Waterworks	26	26⅜
57⅜	28	1.00	Anaconda Copper	54⅜	55
88½	59	2.00	Atchison, T. & S. Fe	72⅜	73¼
54¼	26⅜	—	Auburn	34⅜	35½
26½	15⅞	—	Baltimore & Ohio	22¼	22⅝
83	45⅜	1.50	Bethlehem Steel	82⅜	82⅛
38¼	16⅞	—	Boeing Airplane Co.	36	35⅞
16	10⅞	—	Canadian Pacific Railway	15⅞	17
186	92½	4.00	Case, J. I.	161	165
56½	34	1.40	Chase National Bank	59	59⅜
100	59	3.00	Chesapeake Corp.	85⅜	86
77½	51	2.80	Chesapeake & Ohio	63⅞	63⅝
137⅝	85½	12.00	Chrysler	123½	126⅝
24⅝	14	0.60	Columbia Gas & Electric	17½	17⅜
24⅝	14¼	0.60	Coml. Solvents	19⅝	19½
5½	2¼	—	Commonwealth & Southern (ord.)	3½	3½
49⅞	27¼	2.00	Consolidated Edison	46¼	47
17	11½	0.80	Consolidated Oil	17	17
45	28¼	1.00	Continental Oil	44⅜	44⅞
82½	63⅝	3.00	Corn Products	69½	69½
82¼	50⅝	—	Douglas Aircraft	70⅞	70
184⅛	133	3.60	Du Pont de Nemours	171½	175
28	15⅜	—	Electric Bond & Share	24¼	25⅜
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44	33⅜	1.80	General Foods	43⅞	44
77	53⅞	2.00	General Motors	66⅜	66⅜
63⅛	32½	1.00	General Railway Signal	62	64
35	18⅝	1.00	Goodrich (B. F.)	34	33⅝
35⅜	21⅝	—	Goodyear Tire & Rubber	35⅜	35⅝
86	57	1.00	Humble Oil	85⅛	86¼
66	43¼	1.60	International Nickel	63⅜	64½
19¼	11⅛	—	International Tel & Tel.	12½	12⅛
64	28¼	1.70	Kennecott	59¼	60
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26½	21⅛	1.20	Lorillard	23⅜	24⅝
103	79	1.00	Monsanto Chemical	95⅜	96
68	35⅜	2.00	Montgomery Ward	58¼	58⅝
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49⅜	27⅜	—	New York Central	41⅞	42
35½	23¼	1.00	North American	30⅝	31¼
41	30⅜	2.00	Pacific Gas & Electric	35	34⅞
58⅜	44⅜	3.00	Pacific Lighting	50	50
13⅜	6⅞	0.45	Packard Motors	11⅛	11⅜
45	28½	2.00	Pennsylvania Railroad	41⅞	41⅜
54⅞	38⅛	1.00	Phillips Petroleum	54⅞	55⅜
52½	39	2.40	Public Service of N. J.	51¾	52¼
14¼	9¾	—	Radio Corporation of America	11⅜	11⅝
60⅜	50	3.00	Reynolds Tobacco "B"	56½	56¼
55⅜	37⅜	3.00	Schenley	44	44
101¼	59⅜	2.00	Sears Roebuck	86	86⅜
18⅛	12½	0.70	Socony-Vacuum	18⅛	18⅜
32½	25	1.50	Southern California Edison	30	30
50	23½	—	Southern Pacific	46⅝	47
18	14⅜	0.80	Standard Brands	15⅝	15⅝
14⅛	5½	—	Standard Gas & Electric	12⅜	12⅝
71	51⅛	1.00	Standard Oil Co. of N. J.	70⅜	70
78½	65	3.80	Sterling Products	73⅜	74
44¾	33	2.00	Texas Gulf Sulphur	40⅜	40⅛
18	11	0.40	Transamerica	16⅜	17
107	71⅝	2.80	Union Carbide & Carbon	107	107⅝
149¾	108½	6.00	Union Pacific	128¼	129
32⅝	20⅝	0.50	United Aircraft (New)	29⅜	29½
24⅛	18	0.20	United Airline Trans.	23	23⅛
9¼	5⅜	0.20	United Corporation	7	7
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